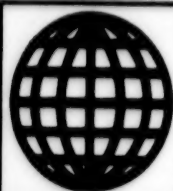


JPRS-SEA-89-022

31 MAY 1989



**FOREIGN
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JPRS Report

East Asia

Southeast Asia

East Asia Southeast Asia

JPRS-SEA-89-022

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Rangoon-Prome Highway Progressing Towards Completion

42000124b Rangoon *THE WORKING PEOPLE'S DAILY* in English 17 Apr 89 p 8

[Article by Soe Myint and Thaung Win]

[Excerpt] "As the State economic and social projects are meeting with success it is necessary to make progress in the transport and communications sector. Rangoon-Prome Highway extension project has been laid down for the development in transport and communications sector, to ensure smooth flow of traffic, to provide sufficient number of motor vehicles and to carry out long-term maintenance of roads.

"With the greater loading capacity and wider road the Rangoon-Prome Highway will improve along the route between Htaukkyant and Prome—a distance of 158 miles. Motor vehicles, large and small, will also be able to move along it more freely. Before the project started it took seven hours to travel from Rangoon to Prome. After the completion of the project it will take only five hours. The purchase of machinery under the project will contribute towards the development of road construction work. In addition, the Burmese engineers and technicians will also have an opportunity to study modern technology in road construction and maintenance". This was explained to us by Project Director U Paw Win of the Rangoon-Prome Highway extension project. [passage omitted]

U Paw Win explained to us, "The Council of Ministers in its meeting No 3/64 approved, the implementation of this project on 20 September, 1983. The loan granting U.S. \$27 million was signed on 11 November that year. Of the 27 million grant, 2.66 million was for the construction work, 4.20 million was for the purchase of tar, 8.20 million was for the purchase of machinery, 2.04 million was for the hiring of technical consultants, 4.00 million for domestic expenditure and 5.90 million was for reserve fund.

"The overall amount to be incurred for the project is K210.600 million which is equal to US\$27 million and the domestic expenditure K261.296 million and the total amount is K471.896 million. The period of project is five and a half years inclusive of the preparatory period of 18 months. And the project was launched beginning 1st April 1986.

Paper Reports on Hlaingthaya Township, Hlaing River Bridge

42000124a Rangoon *THE WORKING PEOPLE'S DAILY* in English 18 Apr 89 p 1

[Text] Rangoon, 17 April—"Measures will be taken to designate the Hlaingthaya Satellite Town a township and assistance will be provided by the departments in the endeavour to turn it into a township possessing all the characteristics of a township and that the Housing Department alone spent K 22.2 million in establishing the satellite town."

This was said by Secretary (I) of the State Law and Order Restoration Council Brig-Gen Khin Nyunt in meeting with the chairman and members of the Ward Law and Order Restoration Councils of Hlaingthaya Satellite Town during his inspection tour of the town this morning.

The Secretary (I) also pointed out that other departments were also making concerted efforts in other activities and that the State was setting up such satellite towns to enable the public and service personnel who have no houses of their own to possess houses and live in permanent places for generations. Hence, the State has drawn projects and is implementing them systematically.

He said that as the State was implementing the projects to enable those without houses to own them with great cetana it was incumbent upon the public to make concerted efforts for the development of the towns and wards and reciprocate the cetana of the State.

He next pointed out that construction of the Hlaingthaya Bridge across the river has begun and once the bridge is completed there will be direct communication links between Rangoon and the deltaic regions and this would enable trade to be carried out more conveniently. The Hlaingthaya Satellite Town would become developed in the future.

Secretary (I) of the State Law and Order Restoration Council Brig-Gen Khin Nyunt was accompanied on his inspection tour of Hlaingthaya Satellite Town by Commander of the Rangoon Command Headquarters Brig-Gen Myo Ngunt, the Commander of the No 22 Light Infantry Division, the Commander of the No 55 Light Infantry Division, the Chairman of the Rangoon City Development Committee, the Director-General of the People's Police Force, the Secretary and members of the Rangoon Division Supervision Committee for bringing down the price of commodities, the Commander of the Irrawaddy Naval Region Headquarters and responsible personnel of the Office of the State Law and Order Restoration Council.

STATE OF CAMBODIA

Official Praises Stung Treng's 10-Year Progress

42090226 Hanoi QUAN DOI NHAN DAN in
Vietnamese 5 Mar 89 p 2

[Article by Xuan Cuong: "Stung Treng—The 10-Year Vitality"]

[Excerpts] [Passage omitted] Sika Bunneng, deputy secretary, Provincial Party Committee, and chairman, People's Committee of Stung Treng Province, met us in the lounge of the committee's headquarters, a newly-repaired house, renovated, properly ventilated, and very attractive. The chairman, about 40 with quick gestures, wore a pair of glasses to correct his nearsightedness and thus looked like a kind teacher. He said in a soft and moderately-paced voice:

"Ten years, a very short time for the history of a nation, but it was in the last 10 years that our province has had many profound changes. With Vietnam's assistance, we not only escaped genocide but also lived again and grew stronger. Our province has advanced from zero. And now we can mention to you a few actual figures....

"Stung Treng is located in the heart of Cambodia's northeastern region, has a natural area of 11,092 square kilometers, and is cut up by many large rivers like the Mekong, and the Kong, San, and Srepok rivers. Our population of more than 51,000 consists of 13 nationality groups. The province is divided into 5 districts, 34 villages, 125 hamlets, and 570 production solidarity teams. [passage omitted]

"So far in our province all our 34 villages have had their revolutionary movement, with militia forces in every one of them and mobile forces in the hamlets. Their members all received political education and basic training, and have many times joined and cooperated with the Vietnamese voluntary forces in launching mopping up operations against the enemy. The province as a whole has been able to build 61 party chapters with close to 400 regular members, 117 youth union chapters with 1,273 members, and 89 hard-core teams with over 600 members. It pays attention to providing cadres with advanced training, which is considered the key task in building real revolutionary strength. In the past years, it opened tens of training classes for hundreds of cadres at the basic level, and sent more than 100 leading cadres from various sectors and installations to get training at the central level and to study in such countries as Vietnam, the Soviet Union, and the German Democratic Republic. Specifically, 53.65 percent of provincial cadres, 93 percent of district cadres, and 99 percent of village cadres have received political, professional, and specialized training ranging from 2 months to 3 years."

Bun Chan, head of the Propaganda and Training Section of the Provincial Party Committee, gave us additional information about the cultural and social aspects of his province's activities, which also underwent many changes. In the City of Stung Treng, a hospital, a public health middle school, a general middle school, and many elementary schools, kindergartens, and nurseries have been built. All villages now have elementary schools and artistic units performing dances and songs to entertain people. The living conditions of people of all ethnic groups have been stabilized. This, we might say, was a great leap forward for Stung Treng Province and also for this northeastern part of the country. [passage omitted]

Sudharmono Emphasizes Commitment to Prosperity

42130085a Jakarta *PELITA* in Indonesian
24 Apr 89 p 1

[Text] Jakarta, *PELITA*—Our national aspirations clearly show that the society we desire is not one of individualists but one that gives priority to collective and evenly distributed prosperity.

We always endeavor, therefore, to ensure that the results of development are not enjoyed by merely a single group of people. In this connection, it is our joint responsibility to promote a spirit of togetherness and a feeling of one destiny and one duty and to build social solidarity, emphasizing our commitment to elevating the conditions of the common people, who make up the majority of our nation.

This was the message of Vice-President H. Sudharmono, SH [Master of Laws], at a commemoration of the Descent of the Koran held at the Istiqlal Mosque in Jakarta on Saturday night [22 April]. He represented the president, who was unable to attend.

Prof Dr Sudjatmoko, former rector of the Tokyo PBB [expansion unknown], said in his lecture that it is very dangerous for decisions and choices related to technology to be left to technical experts and economists alone, for technological choices actually are cultural choices, and each technological choice raises moral questions. Therefore, religious leaders must have a part in mastering the issues involved in technological choices and should take part in discussions during the process of making such choices.

The vice-president said that if we note the first people to accept Islam, we can conclude that the initial growth of Islam encompassed various elements of society. The facts show that the spread of Islam at the beginning was not supported merely by males, old people, and elite groups. It was also supported by young people, women, and the common people, who were represented by Siti Chadijah, Abu Bakar, Zaid bin Harits, and Ali bin Abi Thalib.

Cooperation and togetherness among all these elements caused the rapid expansion of Islam. Thus, we who are now striving to develop and to overcome backwardness in the midst of a changing world need togetherness among all elements, as was demonstrated as Islam began to spread.

No matter how difficult our mission, if we can have cooperation among generations and community groups we shall not fear that we will fail. "The challenge we face is how to unite the entire potential of our nation to bring to realization our national aspiration, namely a just and prosperous society based on Pancasila, a society that has religious ideals, family attributes, and religious values," the vice-president continued.

During the period of its growth, the Islamic community demonstrated that it was able to overcome the various large obstacles it faced through unity and togetherness among all elements. Specific steps are needed, of course, for the creation of a spirit of togetherness and a feeling of one destiny and one duty. The Koran is full of teachings and values for us as we put into practice this spirit of togetherness and social solidarity. By taking specific steps, we can avoid social jealousy and trouble, which would be certain to hurt us all.

At the end of his speech, the vice-president called on all of us at every level to examine ourselves to see whether we as a community have done our best to practice the teachings of the Koran for the purpose of creating a collective prosperity.

"Those who are capable and affluent should especially evaluate the extent to which they have tried to improve the welfare of the common people, who in fact need guidance and a helping hand," the vice-president said.

During the commemoration of the Descent of the Koran, Sudjatmoko critically evaluated developments in human civilization in the midst of progress in science and technology, which he felt could threaten human life in the future. The program was attended by Mrs Sudharmono, the minister of religion and his wife, all ministers in Development Cabinet V, heads of high and supreme state bodies, heads of missions of friendly countries, and other invited guests.

In the information sector, for example, Sudjatmoko said that the revolution in communications and the extensive spread of education have raised the hopes and aspirations of the Third World so high that they are often unfulfilled by the national economies of most Third World countries. The capability to acquire and use information requires adequate liberty for all the people and adjustments by the developing countries to information, education, and political systems.

Sudjatmoko also feels that the globalization of the national economic inequality taking place in the Third World has resulted in the internationalizing of patterns of capital transfer across national borders. Such transfers are proceeding continuously at great volumes and speeds.

"The current transfers of large sums are not related to trade but are prompted by institutional investors and speculators," said Koko, as Sudjatmoko is called by his friends.

Some new developments in industry and in the utilization of the industrial revolution by the industrialized countries have greatly improved productivity but have increasingly widened the gap between the rich countries in the north and the poor ones in the south. Sudjatmoko said the widening of this gap has three dimensions: the

gap between the rich and the poor, the gap between the educated and those who are not, and the gap between workers and the unemployed.

Because of the international imbalance between the rich and the poor, it is difficult at present to find a formulation that will fairly and responsibly provide safety for man and the earth and at the same time reduce the imbalance between rich and poor.

Sudjatmoko noted that although we have been busy with domestic development efforts Indonesia should turn its attention, energy, and time toward the global problems of man and the earth. It is true that Indonesia must develop, and Indonesia itself must be responsible for this effort, its pattern, and its strategies.

"Facts have made clear, however, that national development efforts alone are not enough. More important, we must endeavor to see that the international economic environment does not hurt us or divert us from our own national objective," he asserted.

Environmental problems must receive much attention, and these, like it or not, require strategic thinking in the context of national development. The following are among the short- and long-term issues: patterns of land use needed in the 21st century; the extent to which biotechnology and industrialization will have impact on rural areas and change agricultural, social, and economic systems; and the type of balance we should seek between efficiency and social justice and between short- and long-term interests. All of these require capability for long-term planning in spite of the pressures of short-term problems.

Sudjatmoko said this is not limited to technical and scientific capability but include ethical and moral aspects as well, which also need attention at the moment technological choices are made.

GOLKAR Outlines Rules on Presidential Succession

42130084a Jakarta *SUARA KARYA* in Indonesian
21 Apr 89 p 1

[Text] The DPP [Central Executive Committee] of GOLKAR [Functional Groups Organization] thinks that if there is more than one candidate for the office of president, an extraconstitutional institute of national consensus on presidential succession is not needed because there already exists a satisfactory constitutional mechanism for handling that situation.

If a consensus is needed, it should be arrived at voluntarily and not by coercion. "How can what's called a consensus, an agreement, be arrived at by coercion? Let's not arrive at a decision in appearance only. We already

have a constitutional mechanism," said Wahono, General Chairman of GOLKAR's DPP. Wahono, accompanied by Secretary General Rachmat Witoelar, made these statements in response to questions from *SUARA KARYA* at the Supreme Advisory Council's (DPA) building yesterday.

Wahono and the DPP's Daily Executive Board held a meeting yesterday with the DPA to discuss various problems, including the matter of succession for the national leadership. This meeting with the DPP is one of the DPA's meetings with leaders of the country's socio-political forces.

Wahono said that the DPP welcomes the openness of talks about the matter of presidential succession because such a fundamental issue in Indonesia's national and state life should not be covered up. "If it is covered up, various kinds of feelings could arise," he said.

MPR [People's Consultative Council]

Sudomo, coordinating minister for politics and security, opened discussions on the question of presidential succession when he met with the P-7 [Advisor to the President on Implementing the Guidelines for Experiencing and Instilling PANCASILA (Five Principles of the Nation)] team some time ago. These discussions centered around the issue of how to seek a national consensus if at some future general session of the MPR there was more than one presidential candidate. He brought this question to the attention of President Suharto, who also thinks that there need not be only a single presidential candidate (*SUARA KARYA* 13 April).

Wahono said that the question of succession for the national leadership, especially as regards the election of the president and the vice-president, is not a serious problem because a system and a mechanism already exists. The constitution clearly states that the president and the vice-president are elected by and in a general session of the MPR, which has been elected in a general election. It is the MPR which has the authority to do that and no other body. Furthermore, TAP [decision] II/MPR/1973 states that presidential candidates are put forward by the various political factions in the MPR. So, there is no problem. If there is only one candidate, all that they have to do is ratify his election; there is no need to vote. "Isn't this what we have been doing again and again from the first presidential election to last year's MPR general session," he said.

If, on the other hand, there is more than one candidate, Wahono said, TAP II/MPR/1973 also provides a mechanism, i.e. a secret ballot. "I think that the mechanism is clear. There is no problem," he said.

In response to questions about some people's impression that the voting mechanism is too liberal, Wahono stressed that those people who think this way must also

believe that the 1945 Constitution is too liberal because that decision is in the constitution. "Voting does not go against PANCASILA democracy because the 1945 constitution is a mechanism for PANCASILA democracy," Wahono stated firmly.

Wahono admitted that the president and manditory has an important role and a big burden and that he needs the fullest possible support. However, he also warned that this support must be sincere. So, if there is only one candidate and the fact that there is only one candidate is sincere and voluntary, it is a good thing. But if one candidate cannot be found after repeated attempts to find a consensus, other constitutional methods, such as voting, must be used. "The winner in such an election really has the full support of the people because that is the MPR's decision.

So, said Wahono closing the interview, a national consensus is not necessary, and an extraconstitutional institute of consensus even less so. "The important thing is for everything to be done honestly so that we really come up with a decision which is not in appearance only.

Importance of Small-Scale Industries Stressed

42130085b Jakarta ANGKATAN BERSENJATA in Indonesian 17 Apr 89 p 5

[Commentary by Hd. Harya Sasongko: "Small-Scale Industries as Hedge Against Social Problems"]

[Excerpts] In a meeting between Minister of Manpower Cosmos Batubara and students of the Syarif Hidayatullah IAIN [State Islamic Institute] at Ciputat, Jakarta, last November, the minister of manpower declared that one measure of success of a development effort is its capability to expand job opportunities. Therefore, at an average economic growth rate of 5 percent, the development process in PELITA [5-Year Plan] V must be able to create jobs for at least 11.5 million people.

Assuming this can be achieved, the problem is not thereby resolved, for this will only maintain a visible unemployment of 3 percent at the end of PELITA V. Thus, it does not deal with the explosion of partial unemployment that occurred at the end of PELITA IV. Development in PELITA V must therefore absorb much more manpower than these minimal amounts.

This, of course, is not an easy matter. While the unemployment carried over from the past remains unresolved, new unemployment still continues to emerge, and each year the number of the unemployed rises. For this reason, the development process now and in the future must give greater priority to expanding activities that most absorb manpower.

For this purpose, the government has decided on development in the small-scale industry sector, for it is this sector that actually absorbs the most manpower. So far, the promotion and development of small-scale industry

has encompassed 1.7 million business units and absorbed 7 million workers distributed among 6,000 centers. During PELITA IV, of the 1.4 million workers absorbed by the industrial sector, 1.3 million of them were in small-scale industry. On the occasion of the opening of the small-scale industry and handicrafts exhibition in Jakarta on 29 August 1987, President Suharto stated that 5.5 million workers had been absorbed by small-scale industry.

Small-Scale

The main role of small-scale industry is that of a "safety valve" to keep unemployment from causing disaster, especially in the developing countries, which generally have high population growth rates. Therefore, many countries now categorized as newly industrialized began their national development efforts by promoting and developing labor-intensive small-scale industries. In this way, exploding numbers of unemployed did not become disastrous, since they were gradually absorbed by these small-scale industries.

Take, for example, the countries we now consider industrialized, like the United States, Japan, South Korea, Taiwan, and a number of European nations. Their resurgence began with small-scale industries. Shuji Kita, director general of JETRO (Japan External Trade Organization), stated frankly in a seminar held by the Prasetya Mulya Management Institute (IMPM) that Japan's economic development, now the world's foremost, was supported initially by the primary role of small- and medium-scale industry.

In Japan, these small-scale businesses in fact make up 99.4 percent of all businesses, employ 81.4 percent of all workers in nonprimary industries, and supply 51.8 percent of all manufactured products. In 1986, Taiwan began to move toward industrialization through the support of small- and medium-scale industries. Consequently, 98 percent of them absorbed 70 percent of the country's total work force. A similar thing occurred in South Korea, which began its rise as one of the "Asian tigers" through the development of small-scale industry.

Perhaps we still do not believe that giant companies like Philips, Matsushita, Honda, and Sony began as small-scale industries disregarded by many people. Those companies later not only were able to absorb large numbers of workers but became large-scale firms as well. In fact, they rule the world. There are examples like that in our own country. Some clove cigarette companies that have penetrated international exports also began as small-scale cottage industries.

Preventive

From the economic aspect, the benefits of small-scale industries may be merely material, including contribution of a significant amount of foreign exchange. From the manpower aspect, they clearly absorb human

resources. If we study them further, we see that small-scale industries capable of absorbing workers from lower levels of society also serve as preventives against possible political upheaval and ensuing social problems.

As we know, dissatisfaction and disappointment with the results of development generally arise among common people who feel they have not had opportunity to take part in enjoying the fruits of development. This is especially true if they have not found jobs and, consequently, have no incomes. They are then often manipulated by certain factories for political purposes. It is indeed true that "an empty stomach is easily influenced." Various kinds of disorder and crime are frequently committed by certain individuals who "borrow" the hands of people with economic problems.

We may cite the communist movement throughout the world as a clear example of this. They always move among "oppressed people" and "hungry people," as echoed in their anthem, "The Internationale." In our country, they tried to seize power by "borrowing" the hands and fanning the spirits of farmers, laborers, and other "oppressed people" whom they considered to be suffering. They sought to oppose the legal government and thereby end that suffering.

The several recent disturbances, whether committed by "splinter" groups or not, were not perpetrated merely by small groups with political interests but mainly by people dissatisfied with the results of development, which they felt had not affected or benefited their welfare. It is this kind of people that often become "fields" for the activities of extremist political adventurists, from the right or the left.

The expansion of small-scale industrial activity, which is generally in the villages, has the direct consequence of "obligating" village people to produce diligently what is economically beneficial to their families. Thus, it is not easy to incite them to riot. Small-scale industry can foster a forward-looking enthusiasm for work and gradually eradicate traditional patterns of life no longer consistent with current developments.

Village Industries

The industrial development needed now is the sort that can be done in the villages in the form of processing village products, especially farm products. According to data from the last year of PELITA IV, the population growth rate was 2.1 percent, and 71.41 percent, or 125.4 million people, lived in the villages. The remaining 28.59 percent, or 50.2 million people, lived in cities. In 1993, it is expected that the number of people living in the villages will continue to be larger than those in the cities. Of a total expected population of 192.9 million in 1993, 68.31 percent, or 131.8 million people, will live in the villages, and the remaining 31.69 percent, or 61.1 million people, will live in the cities.

Most manpower is thus still in the villages. In order to foster the national resilience needed to protect the development process as it moves toward takeoff, small-scale industrial centers need to be further expanded in the villages. We should give more thorough study to the recommendation by Radius Prawiro, coordinating minister for Economy, Finance, Industry, and Development Supervision [MENKO EKUIN], that Java be further developed as an agro-industrial region.

The development of postharvest industrial technology, for example, has bright prospects, not only for earning foreign exchange but also for absorbing manpower and ensuring the welfare of workers, thus making their lives more stable. Consequently, they will not be easily influenced by certain political interests. MENKO EKUIN Radius Prawiro's suggestion does not apply only to Java, of course, but to all areas throughout the archipelago with agricultural potential that can be developed into agro-industry.

Agro-industry, as an application of appropriate technology, requires greater participation by the private sector. In PELITA V, it is hoped that investments for this purpose will be composed of 55 percent from the private sector and 45 percent from the government. [passage omitted] If all goes smoothly, an average annual economic growth rate of 5 percent can be achieved in PELITA V, and the annual growth of new job creation will be 3 percent.

Our national development truly enters a very definitive phase in PELITA V, because a strong foundation must be laid for the attainment of a balanced economic structure composed of strong industry supported by reliable agriculture. It is hoped that in PELITA V the industrial sector will absorb 2.3 million people, the agricultural sector 4.1 million people, and labor-intensive projects 400,000 people.

With all of this, we hope the development "trilogy," namely growth, even distribution, and national stability, can be realized to the maximum and thus prevent possible development of social problems. Again, unlike jobs in other formal sectors, which demand professionalism through high levels of education generally possessed only by urban residents, small-scale industries directly absorb workers with little education, who usually are isolated in the villages and are easily persuaded to commit destructive acts.

Biotechnology Increases Agricultural Production
42130084b Jakarta ANGKATAN BERSENJATA in
Indonesian 21 Apr 89 p 3

[Text] Dr Soetatwo, head of the Department of Agriculture's Research and Development Board, stated that during PELITA V [Fifth 5-Year Plan] biotechnology will have an important role in speeding up the increase in

agricultural production and productivity. The effectiveness of biotechnological research and development in genetic engineering and tissue culture for developing the agricultural sector, especially in the developed countries, has already been proved.

In a statement he made to ANGKATAN BERSENJATA yesterday he also thinks that the chances are good that such technology can be applied to Indonesia. Genetic manipulation through the fusion of protoplasm, somaclone variation, haploid culturing and chemical mutations can produce new geotypes which cannot be achieved through conventional breeding methods.

He said that by the reproduction of clones, a plant whose qualities have been selected can be produced in large quantities through in vitro embryo production from cell cultures which will then grow into plants with uniform seedlings.

In this connection Soetarto pointed to various outstanding research efforts such as the development of in vitro techniques for the rapid reproduction of the palm oil, chocolate, coconut meat, vanilla, orchid, and other plants. This allows rapid and multiple reproduction. In this way the improvement of productivity through uniformization of plant materials and an increase in geotypes can be achieved. In rice and sugarcane production the development of subclones which have a higher productivity and higher resistance to disease and poor soil have been achieved through tissue culture.

Far-Reaching Effects

Dr Soetatwo said that it is believed that biotechnology will have far-reaching effects for agricultural development in the broadest sense. For example, in producing vaccines, antibiotics, and hormones for cattle and fish raising; fermentation through nitrogen fixation for food and fodder; and the development of varieties of fast-growing fish and shrimps which are resistant to pests and disease through gene transfer and embryo transfer for large animals.

In line with the minister of research and technology's policies, Soetatwo said that the aim of the biotechnology research and development program is to increase the efficiency of production and productivity in order to speed up an environmentally-minded agricultural development. So, to be emphasized in the research and development of agricultural biotechnology will be the identification of a target, the setting of priorities and coordination of institutions with the goal of optimal use of cultivation.

The aim of the biotechnological research and development program during PELITA V will be to improve the genetics and quantity of plant clones which are most important for plantations, industry, food plants, and horticulture through tissue and cell culture. In addition, it will also be aimed at producing vaccines, antibiotics, and hormones for cattle and fish through genetic engineering.

A more efficient use of artificial fertilizers will also be made possible though an increase in the ability of microorganisms to fix nitrogen. An increase in cattle production will be made possible by embryo transfer. Fish and shrimp semen will also be improved through gene transfer.

Food Crops

It is also hoped that new high-yield varieties and clones of food crops which are resistant to diseases and difficult soil can be produced.

The goals of biotechnological research and development in the area of horticulture are the development of techniques for the rapid reproduction of plant materials which are free of disease, in particular decorative plants, fruits (citrus fruits, bananas, papayas, pineapples, and grapes), and vegetables (asparagus and garlic). Cultivation techniques through mutation will be used to improve the phenotypic variability of flowers such as chrysanthemums, geraniums, and araceae. In addition, techniques for indexing diseases of citrus fruits, potatoes, and orchids through monoclonal antibodies will be developed. In the postharvest area, the goals of biotechnological research will be the development of enzyme and microbe systems to increase fermentation and bioconversion.

Columnist: Bush Still Following Old Policies
42060053c *Vientiane PASASON in Lao 5 Apr 89 p 2*

[Talk] column: "Truman Established It; Bush Carries On"]

[Excerpts] Back on 12 March 1947, U.S. President Truman addressed his theory to both houses of congress on the need to stop the danger of communism. At that time George Bush was a college student who announced his disinterest in politics. But now, just a few months after occupying the presidential seat, he has already applied the Truman theory. [passage omitted]

During the Reagan era, Reagan's aim was to revive the nation by placing the emphasis on strength. In addressing a veterans' conference recently George Bush, the present U.S. President, said that the success of the United States relied on its strength. His behavior clearly violated the Geneva agreement on Afghanistan when the United States poured large amounts of arms and money into the Mujahadeen to carry out war against the people of Afghanistan. In addition, he recently also threatened the USSR against making contacts with governments in Latin America. These tendencies are all counter to today's trend.

Imperialists will remain imperialists even though there are small changes in the world situation. Their true nature will not change. They will continue to have clever schemes to exploit the world, including our people.

Wood Exports to Thailand, USSR
42060045d *Vientiane PASASON in Lao 29 Mar 89 p 1*

[Article: "We Will Begin Plywood Exports To Thailand"]

[Text] In 1989 the Lao Plywood Factory will begin exporting its plywood to Thailand. According to the agreement signed last month, 2,000 cubic meters of trees whose bark has been removed will be exported to the Udon Plywood Factory.

In addition, the Lao factory will also send 32,000 sheets of plywood to the Petropolitan Company in Thailand. Both sides will sign an agreement so that the products will be ready for sending out in the second and third quarters of 1989. Comrade Sikeo Phonphakdi, director of the Lao Plywood Factory, disclosed that in the first quarter the Lao factory had exported 250,000 square meters of sawn lumber to the USSR, that it will send 250,000 square meters more in the second quarter, and is expected to send an additional 500,000 square meters to the USSR in the last half of the year, according to the agreement signed with the [Soviet] Fuel Oil Company.

Comrade Sikeo Phonphakdi added that there is a demand for Lao plywood from many countries. However, the production cannot meet the demand of the foreign and domestic markets since the company can produce only 3,000 to 4,000 sheets of plywood a day on the average.

Results, Monetary Value of CSSR Aid
42060053d *Vientiane PASASON in Lao 3 Apr 89 p 3*

[Article: "Laos-Czechoslovakia Friendship and Cooperation"]

[Excerpt] [Passage omitted] An agreement on economic, scientific, and technological cooperation between Laos and Czechoslovakia was signed in Vientiane on 10 November 1982 for the period 1981-85 and on 17 January 1986 for the period 1986-90. In actual practice the following cooperation was carried out. In 1980-81 they successfully installed dental equipment for the dental unit in Vientiane with a loan totalling 317,000 rubles; they also successfully constructed two bridges, Se Thammouak and Se Koumkan on Route 9, and one steel bridge using a grant. Also, a loan of 500,000 rubles was used for additional equipment and transport vehicles for constructing these bridges. Six pig pens were successfully built. Sapphires were successfully surveyed and assessed in Bo Keo Province. Goods exchange thus far has amounted to a total of approximately 8,000,000 rubles, including Lao exports of more than 4,000,000 rubles and approximately 4,000,000 rubles of imports, particularly Lao products that were sent to the CSSR such as coffee, plywood and handicraft goods. Basic exports from the CSSR to Laos are raw materials for beer and medicine production. In order for the cooperation to result in greater results both nations have also improved and set a direction to be capable of immediate cooperation. This means surveying, designing, and constructing a small hydroelectric plant in Bo Keo Province, setting up a mixed enterprise for timbering and wood manufacturing, cooperating in intensive agriculture in the area that plants and manufactures medicinal roots, and growing soybeans and fruit trees. At the same time, the LPDR-CSSR pig raising station has been used to produce goods, they have extensively produced beer for export, and they have cooperated in tourism, trade and other services. [passage omitted].

Sisavat Keobounphan Meets PRC Ambassador
42060045f *Vientiane VIENTIANE MAI in Lao 4 Mar 89 pp 1,4*

[Text] On the evening of 3 March General Sisavat Keobounphan, chairman of the Vientiane Capital Administrative Committee, welcomed the Chinese ambassador Mr Liang Feng on his tour of duty in the LPDR [Lao People's Democratic Republic]. Their meeting was held in a pleasant atmosphere. The chairman wished the ambassador success in his diplomatic duties

in the LPDR, and expressed his belief that the ambassador would help to develop better friendship and cooperation between Laos and China now and for the future.

Bolikhamsai Logging Income, Swedish Aid
42060045e Vientiane PASASON in Lao
4 Mar 89 pp 1, 4

[Article: "Bolikhamsai Logging Company May Earn Over 300,000,000 kip in 1989"]

[Text] In 1989 the Bolikhamsai Logging Company has set an expected figure for its production based on cutting, manufacturing and distribution, which is estimated at over 300,000,000 kip. It will put over 90,000,000 kip into the state budget. For logging alone, it plans to make 25,600 cubic meters and 4,900 cubic meters of finished lumber.

Along with tree-cutting, they will also plant trees to replace those cut down in over 60 hectares; they have allotted 10 hectares of land and are taking care of trees on 150 hectares that have already been planted.

In 1989 the Bolikhamsai Logging Company will also use over 3,000,000 krona or approximately over 300,000,000 kip in aid from SIDA [Swedish International Development and Cooperation Agency] for forest development and wood industrial projects, such as purchasing a ship and spare parts, and for other technical expenses, and in the construction of an experimental location for fast growing trees such as Eucalyptus and [rubber plants].

Swiss Red Cross Aid
42060045c Vientiane PASASON in Lao 24 Mar 89 p 1

[Article: "Construction of Obstetrics and Gynecology Building in Luang Prabang Is Expected To Be Completed in April"]

[Text] According to the local news, construction of an obstetrics and gynecology building at the Luang Prabang Provincial Hospital is now being feverishly carried out and is expected to be completed in April.

The construction began in October 1988. It is a one storey building 15 meters wide and 38 meters long and contains an examining room, a labor room and room for 20-30 beds. Its total cost of over \$37,600 has been aided by the Swiss Red Cross.

Problems With Savannakhet-SRV Forestry Agreement

42060053d Vientiane PASASON in Lao 3 Apr 89 p 2

[Article: "Savannakhet-Binh Tri Thien Tree Cutting Cooperation Company"]

[Text] The Savannakhet-Binh Tri Thien Tree Cutting Cooperation Company was established on the basis of the decision of the guidance organizations of the twin provinces, Savannakhet and Binh Tri Thien. This company has become an economic section in the economic cooperation between the twin provinces.

The Savannakhet-Binh Tri Thien Tree Cutting Cooperation Company began carrying out the agreement on tree cutting in 1984, using the Phou Vieng Forest area in Phin District as its cutting area. From 1984 to 1988 the company was able to cut a total of over 61,000 cubic meters in the Phou Vieng Forest area. In 1984 the cutting plan was 5,000 cubic meters, and 7,033 cubic meters of trees were actually completed. In 1985-86 the plan was 30,000 cubic meters, and 30,033 cubic meters were completed. In 1986-87 the plan was 30,000 cubic meters, and the company cut only 15,000 cubic meters, and in 1987-88 the plan was 15,000 cubic meters and the actual cutting was only 9,639 cubic meters.

As for the division of the outcome, in 1984-86 Savannakhet received 51 percent and Binh Tri Thien received 49 percent. Laos put in 50 percent of the money. Since 1986-88 the division has been equal at 50 percent for both sides, but the money and labor came from Binh Tri Thien Province in Vietnam.

Our reporters asked Mr Khamta Sayavonchak, director of the company, about the problems they had after 3-4 years of operation. The immediate answer was that the important foundation of the cooperation was to have solidarity and to be able to implement the plan fairly well, and also to correctly carry out the plan and the agreement on the division of the outcome. However, we are still not efficient in cutting, distribution and expanding production. For example, cutting is still being done in a disorderly manner and incorrectly, as can be seen in the cutting of the wrong trees and a lack of inspection at the time of cutting, resulting in many trees remaining uncut. As of 1988 there was a total of 2,500 cubic meters of tree trunks and limbs that went uncut, including 500 cubic meters of tree trunks that have remained uncut since 1985. Based on previous calculations the number of trees to be cut would have taken approximately 10-12 years to complete, but it actually took only 5 years to cut them.

The problem with distribution is that in 1984 the distribution was done without any plan. In 1985-86 the distribution still relied on the higher echelons and the company itself had no detailed plan. As a result, the distribution was out of proportion. The income did not match the number of trees cut.

Normally a company with a good location will use wood for production. During the 4 years this company has been in operation it has achieved a new position in expanding its production. However, the truth is that the factory does not have its own plan to make the cooperation and production efficient for the coming years. Mr Khamta Sayavongchak said that the cooperation with Binh Tri Thien would be only for technical aspects. The Lao would be on their own in terms of vehicles and workers, as well as money. In order to expand production the company will set up a sawmill itself to produce finished lumber and (Pakka) wood for export, since the company is one of three companies in the province that produces lumber for export.

Columnist Blasts Thai Paper on Coverage
42060053a *Vientiane VIENTIANE MAI in Lao*
31 Mar 89 pp 1,4

[Article by S Thipthiangchan: "What Do They Really Want?"]

[Text] Actually, we really do not want to become involved because of the steadily improving friendship between our two countries. However, when they say something bad about us, we have to respond in some way, otherwise they might not know they have done something wrong.

On 15 March NAEO NA commented that there was no security in Vientiane, as in the case of kidnapping. The newspaper also gave a bad image to the LPDR in the hopes of stopping foreign investment in Laos. What does NAEO NA want to gain by doing this? Doesn't it realize that the peoples of Laos and Thailand are happy about the friendship between the governments of the two countries, and that there have been improvements in previous disputes between them? This can be said to be in line with a period of ideological change when restructuring is in progress.

Yet NAEO NA has printed harmful ideas to create misunderstanding about the Lao government and its people on the part of those who would like to invest in Laos. At an interview on constitutional law in Laos granted to a foreign newspaper last Sunday, chairman of the Council of Ministers Kayson Phommavanh said that Laos is an independent nation. No one can tell Laos which laws it must have. Laos has the right to use any law and to promulgate whatever ones it wishes—it is up to Laos alone. How guilty the NAEO NA representatives would feel if they had heard this talk. NAEO NA cannot tell Laos to follow the investment laws of others because Laos is its own country. She is no longer the slave of any nation, and they should know this.

The same goes for the recent kidnapping case in Vientiane. The incident did not come from the Lao side because there are no [terrorists] in Laos. On the contrary, the terrorist strongholds are in Thailand. The terrorists who kidnapped the Japanese businessman in Vietnam

were under the control of the Thai authorities. Therefore, why did the Thai authorities allow them to cross the border to commit crimes and threaten the sovereignty of other nations? Has NAEO NA ever asked why these terrorists were able to commit such a daring crime across the land? Whatever the answer, they should tell it to the Thai and Lao peoples. VIENTIANE MAI has said it does not want to bring this story up again because it does not want to jeopardize the good friendship between the governments of the two nations. However, if NAEO NA wants to discuss it, then VIENTIANE MAI will say right here that the crimes committed across the border were very secretly and carefully planned by bad elements in Thailand who want to create a bad image for foreign investment in Laos. This means they do not want foreign countries to invest in Laos. We can see that NAEO NA may have been part of the case, otherwise it would not be able to make up such a story.

Relations between Laos and Thailand are developing in a positive direction, and cooperation between government and government, and between government and private sector, is moving toward mutual interests. This is in line with the political ideology of the governments of both countries, so what does NAEO NA want, a friend or a foe?

LPRP Policy Doubted; Imports Swamp Local Products
42060053b *Vientiane VIENTIANE MAI in Lao*
5 Apr 89 p 2

[Article: "It Is Good To Open the Door to Trade, but Imports Should Be Checked More Strictly"]

[Text] Industrial production in our country has not yet expanded because our production techniques and equipment are not as advanced as that of advanced foreign countries. Thus, the "Lao-produced—Lao-use" goods in the market still have not earned the confidence of customers, even though their quality is no less than that of foreign products. Also, many factories have difficulty in expanding because they cannot sell all their products; it can be said that their products are being swamped by imports.

Pharmaceutical Plant No 2 is one of many factories in the same situation. The workers here complained that they just do some cleaning because there was no work for them to do, and that Luang Prabang had just sent them the backlogged goods. I went to see Mr Sanan Chounlamani, director of the factory, to discuss this problem. In talking about the factory production situation, he said that this year the factory had increased its production, and in particular there were over 30 varieties of both basic and newly improved medicines. They had added more machinery and repaired what was broken down, and so they had production and made repairs at the same time. They ordered all the powdered medicines from abroad, and they have been using production business for a whole year. At the beginning they faced distribution

problems, and they had to struggle for 3-4 months before they were able to find their market. As a result, the factory was able to make a total profit of 51 million kip, of which 49 million kip or nearly 100 percent was put into the treasury.

In talking about imports and the open door trade policy, Mr Sanan Chounlamani said that he agreed with the policy because if they were the only ones who produced and distributed with no competition, it would be easy to sell their products regardless of quality or research in order to produce what customers want, and at any prices they wished. However, imports forced them to not only upgrade their quality but also to do research on what the customers wanted, such as the type of packaging, the color of the medicines, etc. It is necessary for them to be willing to invest money to solve problems that do not satisfy customer psychology. Sometimes they asked customers to try their products for free, and later they asked to buy the medicines because the prices were lower and the quality was not different from foreign products. He said that they had dealt with foreign products in many different ways, but not by forcing customers to buy their products.

Mr Sanan Chounlamani also commented on another work section. He said that in order to facilitate better production, he would like the import control unit to be more thorough in their inspection. They should be able to come up with 70 percent of the import goods. He asked for stricter inspection. For example, taxes on imported powdered medicines are 5 percent, but it is only 3 percent for tablets. This tax policy does not help in promote domestic production, but promotes imports instead.

Editorial Views Trade Policy, Cites Tax Evasion
42060053f Vientiane PASASON in Lao 6 Apr 89 p 1

[Text] By implementing the new management mechanism called legal free goods circulation, our nation's trade in 1988 has improved. Based on unofficial figures, in 1988 the value of retail goods circulation nationwide for both state and collective trade was over 110 billion kip, an increase of 12 percent from that in 1987.

Foreign trade has also been improved and rapidly expanded. There has also been a fairly rapid increase in the quantity of foreign trade. State exports are over \$50 million, 85 percent of that in 1987. The value for imports is over \$120 million, 90 percent of that in 1987.

Trade last year was improved and expanded. However, there are still many weaknesses and problems. First of all, trade management is not yet efficient. Most traders do not register. There are also lists of goods and smuggling is becoming widespread. There are too many main export and import units for collective organizations and partnerships. As a result, businesses are run in a reckless manner. The authorities neglected them and did not supervise them thoroughly. There were no checks and

balances and no structure for import goods. For example, in Vientiane Capital, only 4 percent of machinery, spare parts, and construction materials are imported; however, 85 percent of the food supply and usable items was imported, which was more than we needed. Also, some of these are items we can produce ourselves; this caused our goods to be stalled and the producers to face financial problems.

In order to solve the trade situation in our country, in 1989 the section responsible for this agreed to pay attention to the work of rechecking the main economic trade units of the government, private-state enterprises, and the private trade sector that engage in domestic trade, imports and exports. Each level of work section involved must guide its own main business unit to register the types of goods to be exported and imported clearly and correctly with the occupational section of each enterprise. They must follow up on the guidance so that the businessmen strictly implement the plenum of the Council of Ministers aimed at keeping a balance between exports and imports, and to balance the regional economy throughout the nation. Also, the trade section should pay particular attention to the two-way service for farmers.

In the future, state trade should basically be converted to wholesale on a gradual basis. Collective trade and the private sector should be assigned to continue to carry out retail sales so that legal goods circulation will reach customers throughout and will provide a service to the rural grassroots and mountainous areas.

Champassak Firm's Foreign, Domestic Debt Burden

42060045a Vientiane PASASON in Lao
21 Mar 89 pp 2, 3

[Excerpt] [Passage omitted] The Champassak Trade Company has 480 people, including 420 people who are directly involved with production and 60 who are indirectly involved with production. The section for purchasing forest and agricultural products buys 3,000 to 4,000 tons of coffee beans a year and 1,000 to 2,000 tons of other forest products. The food purchasing section buys 25,000 to 30,000 tons of paddy rice a year. The industrial goods section has wholesale and retail sales of 2-3 billion kip a year, and puts 4,000,000 to 5,000,000 kip a year into the [state budget]. On the average each trade cadre is able to make a profit, and puts over 1,000,000 kip into the stage budget. However, in 1988 the Champassak Trade Company was experiencing trouble. There was a steady increase in its foreign debt. According to incomplete reports, the debt that must be paid amounts to almost 600,000,000 kip. It needs to accept an additional debt of a billion kip, and it has over 400,000,000 kip worth of unsold goods in the warehouse. It owes the bank nearly 200,000,000 kip in principal. Nearly 50,000,000 kip worth of poor goods such as

medicine, tobacco and fruit liqueur need to be destroyed. In conclusion, in 1988 the company was able to put only 40 percent of the plan into the state budget.

The company's plan was to purchase 30,000 tons of rice, but it could only purchase 4,000 tons. The plan for coffee was 3,500 tons, but its actual purchases amounted to only 500 tons. The Champassak Trade Company was not able to satisfy the plan for the following reasons: 1) the organizational situation in the company is confusing and groups have formed; 2) the idea of privilege has gradually emerged. There is a lack of driving forces by the leadership. Sellers use the cash obtained from sales to buy transfer payments in other provinces with low prices, and they are not driving forces in protecting the currency; 3) there is a lack of close cooperation with nearby enterprise organizations and the workers do not want to learn from each other; 4) the extensive illegal free trade circulation has a serious effect on the state's trade role; 5) state trade orders goods to be imported that are unsuitable for our markets, and their prices are out of balance; the import prices are higher than the export prices and there is no trade monopoly.

In order to improve this situation Mr Bouasi Souk-aloun told us that the province has ordered the trade company and the timber company to be joined into one company in order to balance imports and exports, and to utilize financial accountability. The former board of directors will be asked to look for and decide on ways to solve the problems of debt and unsold or slowly moving merchandise. The purpose is to change basic business to effective accountability management.

Xe Set Dam Construction Progress

42060045b Vientiane PASASON in Lao 25 Mar 89 p 2

[Excerpts] The Xe Set Hydroelectric Dam Company now has a total of 16 technical cadres and workers, 3 women, 10 Lao youth union members, 8 trade union members, and 1 member from the Lao Women's Federation,

including 2 workers hired on a daily basis. The company has work units such as a photographic survey unit, a construction unit, a machinery unit and an electrical unit. [passage omitted]

All of the technical cadres and workers have put their efforts into surmounting the difficulties in the work. For example, in technical work they are able to clear a road, to look for the surface of an old road and recheck it at different locations, and they successfully added 18 ground surface locations they thought necessary. They cleared out a road for a photographic survey from an intersection in Ban Vang Makfeung Village with permanent and temporary housing for workers, an office, and warehouse for machinery to the top of the dam totaling 3,850 meters long and having a width of 4 meters. The dam construction technicians of the (Vianinilavoli Vianinitai) Company also joined in the technical work.

Comrade Sisouvan Souvannaphasi, chief of the Xe Set Hydroelectric Dam Construction Company, added that from 22 December 1988 to 13 January of this year the permanent and temporary housing for workers, the office, the warehouse and factory site have been basically constructed on 9.4 hectares, and this included cutting down trees and removing the wood from the construction site.

According to the agreement, the construction is expected to be completed within 30 months if inside and outside conditions permit. The construction cost totals \$40,000,000 or 175,850,000 kip. When completed it is expected to produce 45,000 kW of electricity.

The Xe Set hydroelectric plant is being constructed on a reservation in two districts, Saravane and Lao Ngam, districts of bountiful natural resources and industrial goods in Saravane Province. When it is completed the Xe Set hydroelectric plant will supply electricity to Saravane and Champassak provinces, and will also send it abroad. If we examine the situation carefully in terms of knowledge, ability and understanding of specialized tasks, according to the new work mechanism we can see that our technical cadres and workers still lack actual work experience because most of them have just finished vocational school. [passage omitted].

Editorial on Cut in Japanese Loan Interest Rate
42130086c Kuala Lumpur BERITA HARIAN in Malay
28 Apr 89 p 10

[Editorial: "Reduction in Interest Rate on Japanese Loans"]

[Text] The Japanese Government has agreed to reduce the interest rate on loans offered to ASEAN countries under the Official Development Aid (ODA) scheme. The interest rate reduction is retroactive to 1 April. For Malaysia, the new annual interest rate on loans is 2.9 percent instead of the 3.2 percent in effect last year. When the Japanese Embassy in Kuala Lumpur provided details yesterday, it said that Malaysia is being given the highest reduction among the ASEAN nations. Nevertheless, Malaysia still bears the highest interest rate of ASEAN countries. The reason for this is its more advanced level of development. By comparison, Thailand and the Philippines incur a rate of 2.7 percent, while Indonesia incurs 2.5 percent annually.

Although the rate reduction is offered only on new loans, we are confident that ASEAN countries who enjoy ODA loans will welcome this decision. It will certainly give them some relief. The lower interest rate will reduce the burdens of ASEAN states, especially while the value of the yen is very high. Because of this rate reduction, Malaysia, like other ASEAN countries, can consider requesting more ODA loans without worrying too much about shouldering excessive repayment burdens growing out of the rising value of the yen and high interest rates. Last year alone, Japan lent \$276.4 million (743.5 million ringgits) to Malaysia. Of that amount, 21.3 million ringgits were in the form of grants, 109.8 million ringgits in the form of technical aid, and 612.5 million ringgits in loans. Those loans were very large and, in view of the current high value of the yen, the repayment burden borne by Malaysia is extremely great. Therefore, the reduction in the interest rate on new loans will lessen this burden. This step will also make ODA loans more attractive to ASEAN countries and will encourage them to continue to use these available facilities.

By this decision, Japan proves it is still sensitive to the problems and repayment burdens that must be shouldered by ASEAN states simply because of the present high value of the yen. Thus, Japan acted in response to requests from ASEAN countries and reduced the interest rate. This will not only further strengthen Japanese ties with ASEAN nations but will also further enhance the status of the Land of the Rising Sun in this region. Japan also appears to appreciate its friendship with ASEAN countries and is willing to reduce their burdens. We are confident that the Japanese Government's willingness will be appreciated by its friends in this region.

The Japanese Government's decision also was made at an appropriate time, for the announcement comes just prior to Prime Minister Noburu Takeshita's visit to ASEAN several days from now. The Japanese leader is

scheduled to visit Malaysia on 1 and 2 May. The reduction in the interest rate will also make it easier for the Japanese leader to discuss his government's proposal to further expand ODA loans. This will make it easier for the Japanese leader to encourage ASEAN states to continue to use the available loans and assistance. If this is accepted by the ASEAN countries, the Japanese Government's efforts to expand ODA loans will be successful. Before the interest rate was reduced, ODA loans were rather burdensome because of the excessively high value of the yen. Therefore, the reduction of the interest rate will help convince ASEAN nations that they should continue to use the available ODA facilities.

This step by the Japanese Government truly proves that it is inclined to help developing countries in their efforts to accelerate the progress of their development. The Japanese Government has been successful in proving that they are not merely "making sweet talk" when they promise to help friendly countries. This is an example that should be followed by other nations, especially industrialized countries, who are quick to promise help to Third World states but slow to fulfill their promises.

Navy Plans To Build Base in Sabah
42130087b Kuala Lumpur BERITA HARIAN in Malay
26 Apr 89 p 23

[Text] Kuala Lumpur, Tuesday [25 April]—The Royal Malaysian Navy (TLDM) will build a base in Sabah to ensure the security of waters in the South China Sea.

The commander of the Navy, Vice Admiral Tan Sri Abdul Wahab Haji Naw, said construction of the base will begin no later than the end of this year or the beginning of next year.

"I am not able to say what the cost of the land and construction will be, however. But it will not be as expensive as the base at Lumut," he said in an interview with BERITA HARIAN at his office.

He said the TLDM badly needs a strategic base in the South China Sea.

Tan Sri Abdul Wahab said the suitability of Sabah because of its deeper waters and its proximity to operational areas also encouraged the TLDM to build a base there.

"Besides, the base at Labuan does not have any facilities, and even the jetty is leased," he said.

With regard to developments in the TLDM, he said he plans to commission an air unit and add six more Wasp aircraft.

Tan Sri Wahab said the aircraft are expected to be in use this year or no later than early next year.

Navy To Modify Warships

42130086b Kuala Lumpur BERITA HARIAN in Malay
28 Apr 89 p 13

[Text] Lumut, Thursday [27 April]—The Royal Malaysian Navy [TLDM] will modify its warships by equipping them with hangars for storing and carrying helicopters.

The Navy commander, Vice Admiral Tan Sri Abdul Wahab Haji Nawawi, said that initially he is studying the design of a hangar to be installed on two corvettes.

"The installation of the hangars will enable TLDM warships to carry helicopters for longer times in naval operations.

"This step is compatible with plans to buy six more Wasp helicopters for TLDM air units, which now have only six helicopters for training," he told reporters here today after a parade marking the 55th anniversary of the TLDM at the KD [Royal Ship] Pelandok drill field.

The deputy Navy commander, Rear Admiral Datuk Shariff Ishak, and the TLDM Fleet commander, Datuk Harun Datuk Dr Mohd Salleh, were also present at the meeting.

Tan Sri Abdul Wahab also said he would determine the cost of installing the hangars, which are to be installed in phases on all types of ships, including transports and destroyers, in order to supplement the capabilities of the TLDM in guarding national waters.

Bigger Role in PNG Seen

42000125 Kuala Lumpur NEW STRAIGHTS TIMES
in English 8 Apr 89 p 3

[Article by Jeffrey Ramayah]

[Text] Port Moresby, Fri.—Malaysia has become the third largest investor in Papua New Guinea (PNG) and will play a greater role in its economic development in the near future, Malaysia's High Commissioner here, Mr B. Rajaram, said on Wednesday.

He said this was an impressive achievement as Malaysia was only 17th on the list of investors in PNG two years ago.

Malaysian investments in PNG amount to at least 150 million kina (about \$480 million) and more businessmen are expected to invest here soon.

Mr Rajaram said PNG was on the verge of an economic boom and Malaysians could take advantage of investment opportunities.

"We have initialled the investment guarantee agreement (IGA) with PNG and once it is signed, there will be more active bilateral trade," he said in an interview with Malaysian journalists who toured the country last week.

The journalists were guests of PNG's national carrier, Air Niugini.

Mr Rajaram who is also accredited to the Solomons Islands and Vanuatu in the South Pacific said the terms of reference of the IGA were currently being worked out and the agreement was expected to be signed by both Governments in about three months.

He said direct sea and air links between PNG and Malaysia would boost trade and tourism between the two countries.

"Direct air and sea links between Malaysia and PNG will drastically cut freight charges and air fares."

The current exceptionally high freight charges and air fares were detrimental to mutual trade.

On the transportation of goods by sea, he said the high cost was because goods from Port Moresby and Port Klang were transhipped via Singapore.

"Shipping costs will be considerably reduced if there are direct links between Port Moresby and Port Klang.

"Shippers in Malaysia should consider this possibility as the volume of goods to be exported from PNG and that to be imported from Malaysia are expected to soar in the years to come."

Mr Rajaram said there were now 26 Malaysian companies carrying out logging activities in PNG, making Malaysia the biggest logger here.

"Malaysians are also in housing projects and various other economic activities.

He said Prime Minister Datuk Seri Dr Mahathir Mohamad had visited PNG twice and this had sparked off great economic activity between the two countries.

Mr Rajaram said last year alone 17 buying missions from PNG went to Malaysia and they were now importing Malaysian products.

"PNG is rich in gold, copper timber and seafood and Malaysians can import these products.

"PNG, likewise, can import our oil palm and rubber products."

He said the Malaysian Chamber of Commerce and Industry would soon be sending a delegation to PNG to explore trading opportunities.

He said Kuala Lumpur Stock Exchange (KLSE) executive chairman Nik Mohamed Din Datuk Yusof and KLSE general manager Mohamed Salleh Abdul Majid were here this week to help the Government establish a stock exchange.

"The PNG Government is keen in establishing a stock exchange and we will offer all the necessary assistance."

He said 200 PNG citizens had been trained by the Malaysian Government in Kuala Lumpur.

"Malaysia is also sending teachers and doctors to PNG by the end of the year."

On the direct air link, Mr Rajaram said: "Malaysians wanting to come here have to go to Singapore first."

"We understand that 40 per cent of Air Niugini's passengers from Singapore are Malaysians and a direct air link between Subang and Port Moresby will be highly viable."

Currently Air Niugini flies only to Singapore.

He said Aerod had recently signed an agreement to service Air Niugini aircraft in Malaysia.

Report on Johor's Industrialization

42130081 Kuala Lumpur BERITA HARIAN in Malay
8 Apr 89 p 16

[Article by Adam Mohamed]

[Text] The firming up of the economic strategy for the Estimable State of Johor, resulting from the meticulous planning of development under the guidance of Chief Minister Dr Haji Muhyiddin Mohd. Yassin, opened a new era for the expansion and diversification of industry as desired in the state's development program.

With the maturation of his leadership, he guided the economic program to success, proving that Johor was capable of emerging as a primary industrial state.

On this basis, Johor's economic growth this year is forecast to increase by more than 8 percent because of the success achieved by the state government in seeking a variety of sources of income, especially in attracting foreign investors.

Last year the state's economy grew by slightly more than 5 percent.

Johor's achievement, at the same time, received special attention from the Johor regent when he spoke at the opening of the State Legislative Assembly session last year. He said he was amazed at the state's triumphs in the industrial field.

His majesty's speech did not contain hollow praise as pronounced by the Dr Haji Muhyiddin government up to this time, but it was based on the results of various determined efforts to attract foreign investors to this state, including visits paid to countries overseas.

Those efforts were not in vain, and in February alone a trade delegation headed by the chief minister visiting South Korea and Japan brought home "gifts" valued at \$423 million [Malaysian dollars] from investors in these two countries. The investment reportedly may create 1,800 jobs in Johor.

Last month also witnessed the emergence of closer economic relations between Johor and Singapore.

The Johor-Singapore mutual understanding seminar held in Johor Baharu last month for the purpose of forming a partnership to attract foreign investors proved that economic relations between the two regions were strong enough for them to be able to organize a Joint Commission.

Dr Haji Muhyiddin, in his speech when officiating at the launching of that commission, said the coming decade would witness the economic growth of the southern portion of Johor into an era second in importance in this country on a par with Lembah Klang.

"The region from Pengerang in the east to Tanjung Piai and Kukup in western Johor will be built up with various kinds of industries and facilities. Also, a huge industrial complex, an industrial zone, a new port, a public facilities center and sports facilities will be constructed there," he said.

Supporting this statement are investment data for last year when the Malaysian Industrial Development Agency (MIDA) approved 183 projects involving \$1.83 billion [Malaysian dollars] for this state.

These projects, if fully carried out, will create 27,815 jobs, and they comprise 25 percent of all projects approved throughout the country. This makes Johor the second important industrial region after Selangor.

In a working paper presented by Dr Zainal Abidin Sulong, MIDA chairman, in a seminar held by Johor and Singapore recently on job opportunities in trade, he said:

"Between 1980 and 1988 MIDA approved 502 projects from Singapore involving \$396 million [Malaysian dollars]. They included 327 projects approved for Johor, and it is predicted that these projects will provide jobs to 39,200 persons."

The increase in the number of projects demonstrates that Johor is more attractive to Singapore investors than other states.

Another attractive factor in Johor-Singapore relations is that visits of people from Singapore to Johor have increased in the past year principally when the value of the dollar rose in relation to that of the ringgit [Malaysian dollar].

Mr Jimmy Low Boon Hong, chairman of the State Tourism Development Commission, said, in last year alone, 6 million Singaporeans visited this state via the Johor Causeway.

Their number is estimated to increase twofold over this year's figure as a consequence of various tourism promotion activities to be carried out through a "Visit Johor Year" campaign and the "Campaign to Visit Malaysia" next year.

"Singapore tourists are the most 'special' benefit of these relations because commerce has grown since their visits. The slight increase in the value of the dollar did not affect the economic situation of the residents here, rather it benefited commerce," he said.

In this connection, various efforts were made to ensure that the tourist industry, which now is one of the most important economic sectors in this state, continues to grow along with building several international hotels and projects related to tourism.

Among them is the Johor State Economic Development Organization's (PKENJ) construction of the Kota Raya Plaza in Pahang Village, Johor Baharu, at a cost of \$142 million [Malaysian dollars].

This project includes the 4-star Puteri Pan-Pacific Hotel which will have 300 rooms and is estimated to be ready by the end of 1990.

With the acceleration of industrial development in Johor, it is not surprising that Dr Haji Muhyiddin directed that a committee be formed to find a way of solving the problem of choked up traffic in Johor Port and in the Pasir Gudang Industrial Zone.

The committee also is to be responsible for conducting a study to determine whether the Johor Port should be enlarged or whether another port should be constructed in a nearby area because too many plants requiring the services of the port have been built in this region.

Spirit of 46 Wants To Join UMNO

42130086a Kuala Lumpur *BERITA HARIAN* in Malay
2 May 89 p 2

[Report by Zaini Zainuddin]

[Text] Bentong, Monday [1 May]—Some top leaders of the Spirit of 46 group have expressed their desire to join UMNO [United Malays National Organization], said UMNO Secretary-General Datuk Mohamed Rahmat.

He said several leaders and supporters of the group met with him to state their desire to join UMNO.

"They also asked whether they would be accepted if they applied for UMNO membership. This is a good development and will make UMNO stronger," he told reporters here today following submission of 89,123 receipts and membership papers to 11 UMNO divisions.

He said that UMNO will not hinder anyone who wants to join the party, and each application will receive proper consideration.

He was reluctant, however, to say any more about the date of his meeting with the leaders of the group.

Target

He said earlier in his statements that he hoped the target of 1.3 million UMNO members will be reached by the end of this month.

He said that UMNO now has 10,000 branches, compared to 8,668 previously.

Therefore, he said, UMNO will have no problem facing general elections at any time.

Meanwhile, he said, UMNO headquarters will publish a final list of members by branch at the beginning of June in order to facilitate the convening of general assemblies by branches and divisions.

He said that any whose names are not on the list will not be permitted to attend any assembly.

"I will ensure that the process will be orderly. If any problem arises, the people involved should refer it to headquarters," he said.

Datuk Mohamed hoped the branch and division general assemblies will move more smoothly.

With regard to the Bentong parliamentary by-election, he was confident the BN [National Front] will achieve a big victory.

"I don't think the residents of Bentong will reject unity, stability, and prosperity, which are the foundations of the government's endeavors," he said.

Former PAS Leader Expected To Join UMNO

42130087a Kuala Lumpur *BERITA HARIAN* in Malay
27 Apr 89 p 10

[Article by Wan Hamidi Hamid: "Nakhaie's Decision a New Symbol of UMNO Direction"]

[Text] Membership in UMNO [United Malays National Organization] by Haji Nakhaie Ahmad, the former vice-chairman of PAS [Pan-Malaysia Islamic Party], is now

almost a reality and awaits only his official announcement, for all preparations have been moving smoothly since the beginning of the year.

Although his statements and views refer to Islamic and Malay unity, they appear more to praise UMNO and criticize PAS. In his most recent statement, he openly praised Prime Minister Datuk Seri Dr Mahathir Mohamad for successfully managing the country in spite of obstacles.

The issue of his joining UMNO is not something surprising, because his views and his criticism of PAS have shown that there is no agreement between him and PAS leaders.

In fact, when asked about his ties with the PAS leadership now controlled by Haji Fadzil Noor, he said that his relationship is no more than that of a friend.

Haji Nakhaie has often criticized actions of the PAS leadership, charging that they violated principles of Islamic accord. An instance of this was the PAS desire to cooperate with the UMNO splinter group calling itself the Spirit of 46.

He asked that PAS not confine its cooperation to certain groups like the Spirit of 46 but be willing to talk with all groups, including UMNO.

Stepping Stone

He said that if the party could cooperate with an UMNO splinter group there was no reason it could not cooperate with UMNO for the sake of Islamic unity.

"I also feel that the Spirit of 46 is not a group with which we should cooperate, because they have never had a firm platform.

"At first, they wanted to resurrect the UMNO that was declared illegal by the courts. They failed, however, and after that their efforts varied with the political winds," he said in an interview at his office.

A similar case occurred, he said, when Berjasa, a component party of the National Front (BN) that had lost its effectiveness, tried to challenge the leadership of the BN by approaching PAS and the Spirit of 46 in their effort to form the Islamic Community Unity Force (APU).

"Since Berjasa no longer had many members, it did not have much influence on national politics, whether expelled by the BN or acting outside of the BN concept," he declared.

Haji Nakhaie's views show clearly that he is more critical, particularly in his analyses related to Malays and Islam. He tends more to express opinions oriented to Malay unity than to make "fiery" statements like those of PAS leaders.

Now, after resigning last September from all offices except that of ordinary member, he appears to be steadily putting distance between himself and the PAS program.

After announcing that he would not run for any office at the recent general conference of the party, he did not even attend. Although he received a nomination, he rejected it, saying that he wanted to avoid the campaigning and lobbying atmosphere.

"He also wanted to avoid the creation of a group specifically based on concepts now spreading in PAS, especially if the people involved use as stepping stones a 'gate of Heaven' appeal and the issue of protection from work violating Islam," he said.

He believes that PAS has brought no changes toward effective efforts in promoting Islam.

In fact, since resigning his positions, Haji Nakhaie has begun to move toward UMNO, which he opposed when he joined PAS about 10 years ago.

His reason for this change is that a person's thinking must mature as time passes, particularly with regard to accomplishing something for the good of the Islamic community.

For him, Datuk Seri Dr Mahathir's thinking is the same as his own. The prime minister's thinking and actions have changed as he has adjusted to current thought processes.

"The important thing is that changes should be for the better and for ensuring that the verse, 'There is no God but Allah,' is always our guiding principle," he asserted.

His meeting with Datuk Seri Dr Mahathir and his recent press conference, which was also attended by UMNO Secretary-General Datuk Mohamed Rahmat and minister of the Prime Minister's Department, Datuk Dr Yusof Nor, were considered by some people as part of the process of finalizing his membership in UMNO.

Although Haji Nakhaie explained that the meeting was only for discussing his future political role, many people are confident that it was a first step toward joining the party, which is the largest in the country.

Nevertheless, he still wants to be a puzzle in the Malaysian political arena by presenting several other possibilities, which include resumption of active participation in PAS or permanent departure from the political arena.

As for a resumption of participation in PAS, many people are unconvinced that he could take such action because of his various points of disagreement with the leadership, which last year prompted him to resign all his positions in the party.

"Because I must adapt to changes in politics and life, I may leave politics permanently, in spite of the fact that politics have been a part of my life," he stated.

Although this statement may be merely the joke of a politician who thinks broadly, no one can deny that anything is possible in the art of politics.

Since no longer active in PAS, he has been managing his company, Rangkaian Edar SDN BHD [Limited Company], in Kuala Lumpur. He has also proposed expanding his business, which includes the publication of magazines and a weekly newspaper, to utilize all the room in his building. Two of the four floors of the building are now leased to the company that publishes the weekly newspaper, AL-HARAKAH.

Nevertheless, Haji Nakhaie, who once stated that politics are his flesh and blood, may not easily decide to leave something in which he has been interested and for which he has fought.

According to political observers, Haji Nakhaie is certain to join UMNO, but no one dares to conclude whether the former PAS figure will receive a "reward" for joining. He himself said, "I have ninety percent decided what I will do, and I will announce it next week."

There is a speculation that he will be offered the post of chairman of the Malaysian Islamic Propagation Foundation (YADIM), and there are some who say he will be a candidate for an important office in the Islamic Affairs Division of the Prime Minister's Department.

Haji Nakhaie, who does not confirm or deny anything, says merely that he has not received any offer in black and white.

We hope that Haji Nakhaie will not make the step of joining UMNO under a policy of "compensation." UMNO leaders, members, and supporters probably do not expect anything extraordinary from his joining but merely hope that at least he will be a new symbol of UMNO's direction, which is to attract more Malay and Islamic intellectuals to UMNO membership.

Government Downgrades NPA Role in Founder's Hometown

42000126c *Quezon City WE FORUM in English*
5-6 Apr 89 p 6

[Text] Sta. Rita, Capas, Tarlac—How is the birthplace of the New People's Army (NPA) 20 years after the organizational was born? Where is Bernabe Buscayno, one of the NPA's founders and for a long time its commander-in-chief?

Bernabe "Dante" Buscayno is back in Sta. Rita, Capas, a small barrio in this presidential homeprovince where he and a handful of others, disillusioned at the way the old Huks, the Army of the old Communist party, had degenerated into banditry, bolted the Huks to form the NPA on 29 March 1969.

Today, however, Buscayno, or "Kumander Dante," is engaged in an intensive agriculture cooperative development project backed by multimillion-peso assistance from the Aquino government. The provincial peace and order council of Tarlac has also passed a resolution that hopes to reclassify this small barrio from a "communist-influenced" barangay to an "infiltrated" barangay—a lower category of communist-guerilla "contamination." Sta. Rita is the only one classified as "communist-influenced" among the province's 500 villages.

To Dante, the reclassification "may just be right," as he said, "it is time people changed their attitude towards this barrio."

In the past, Dante said, people were scared of Sta. Rita, although it is "a very peaceful barrio."

"Kahit iwanan mo ang palay mo sa daan hindi nanakawin. Walang nagaaway dito" (You can leave unhusked rice on the street. No one will steal it. No one makes trouble here), he said. Dante stressed that the past is past. "Iba na ang labanan ngayon." (The struggle is different now), he said, as he referred to the ambitious cooperative project he is engaged in.

Sta. Rita was once part of three big estates owned by influential families here. During the 1986 ceasefire, in a press conference called by the National Democratic Front in Tarlac, the NDF claimed it was through its revolutionary agrarian reform that these lands had been parceled out to farmers.

The NDF stressed, however, that the farmers were not NPAs but were only influenced by them. This was, they said, only the initial phase of the NDF total agrarian program which aims to strengthen the hold of farmers on the land they till.

Dante said what he's doing now is but a continuation of the past, although this is already an activity above ground. Barrio folk interviewed by PNF, however, are unmindful of whatever classification government gives their barrio.

"The fact that Sta. Rita is the birthplace of the NPA," said one farmer is a toothy grin, "is enough."

New Ilocano Politicians Reject Marcos, Court Investment

42000126d *Quezon City WE FORUM in English*
10-11 Apr 89 p 7

[Article by Manolo B. Jara]

[Text] Currimao, Philippines—Deep down here in "Marcos country," an extremely vocal and vociferous group of fanatics is keeping the Marcos issue alive.

Its members parrot to visitors and journalists their standard line that Ferdinand Marcos is still the legitimate President of the Philippines.

Moreover, as their line goes, Mr. Marcos should be allowed to return from his Hawaiian exile to bury his mother, Josefa, who died almost a year ago. Her remains still lie in state at the Marcos ancestral home in Batac, Ilocos Norte about 470 kilometres north of Manila.

From all appearances, this group of Marcos fanatics remains intact. But the facade of unity is slowly being eroded by internal dissensions and the emergence of a new breed of "non-traditional" Ilocos politicians who are not beholden to Mr. Marcos.

These politicians—although still very few in number—strongly believe that the Marcos issue should be laid to rest. They also strongly feel that "living in the past" constitutes a serious obstacle to the region's development.

One of them is Mayor Wilbur Go of Currimao, a small coastal village along the China Sea (population: about 20,000) near Mr. Marcos' hometown of Batac.

Mayor Go, 30 and a civil engineer, was one of only four candidates who won in the Ilocos Norte local elections in 1988, under the banner of the pro-Aquino Lakas ng Bayan (Strength of the Nation) broad-based coalition.

He trounced a rabid Marcos supporter who campaigned on that issue and who had served as Currimao mayor for about 20 years.

Mayor Go sees in his election a vindication of his belief that the Marcos issue should now be dropped. "I won although I don't belong to a political family," he told *Depthnews*. "I hate speaking before the public and ran on the platform that I would serve the town to the best of my ability and make it progressive."

But, at the same time, Mayor Go realises that the Marcos issue will still be very much around as long as the vocal and vociferous group of Marcos fanatics are there.

With that in mind, he goes about his work as mayor bent on fulfilling his campaign promises. "Let them talk about Mr. Marcos for all I care," he said. "Meanwhile, I will concentrate on the job to which I was elected."

Last March, Mayor Go signed a two-year contract with a group of Singaporean businessmen to set up a buying centre in Currimao. The Singaporeans want to buy ipil-ipil trees for a pulp and paper factory which they are setting up in the country.

He said he convinced the Singaporeans into relocating the centre to Currimao from another town in the region. "I told them that Currimao was a more ideal buying centre because of its location as well as the availability of ipil-ipil trees," he said.

Toward this end, he intends to promote ipil-ipil farming in Currimao and in nearby towns. "This is part of my campaign promise to provide jobs and livelihood to my constituents," he added.

What apparently also convinced the Singaporean group to relocate is that Currimao is the site of the ASEAN submarine cable network. The network links members of Association of Southeast Asian Nations—Brunei, Indonesia, Malaysia, Philippines, Singapore and Thailand—to the rest of the world.

Meanwhile, Mayor Go insists that his view about Mr. Marcos is shared by many other Ilocanos. As one of his aides explained, "They, however, prefer to remain silent for fear of being branded as traitors to the cause," being espoused by the Marcos fanatics.

They could well be right. Many ordinary Ilocanos interviewed by Depthnews, who spoke on condition of anonymity, agreed that the Marcos issue should now be set aside "for the greater good."

Perhaps, this sentiment was best expressed by a farmer who said: "Casta ti gaggangay iti biag. No adda nagbasolan na, dapat nga bayadan na." (That's life. If he committed any wrongdoing, he should be punished.)

He was referring to Mr. Marcos who is being accused of having looted the Philippines of at least U.S. \$10 billion during his 20-year rule.

Survey Cites Superiority of MNC's Over Other Investment

42000126b Manila *PHILIPPINE DAILY GLOBE* in English 16 Apr 89 pp 1, 6

[Text] Multinational companies contributed more to the Philippine economy than Chinese-Filipino companies and other firms operating in the country, according to the latest survey of Business International, an affiliate of the Economist Group of London.

This assertion is expected to be challenged by Filipino nationalists who claim that the multinationals' stranglehold on the economy is slowing down the country's growth.

The survey says that the multinationals play a critical role in the country's international trade and capital flows.

It also notes that several well-known, large Chinese-Filipino companies are not listed in the top 1,000 corporations in the Philippines, the Securities and Exchange Commission or the Credit Bureau.

According to Business International, multinationals help enhance the country's balance-of-payments position by generating foreign exchange from exports, inward remittances, import substitution through local productions and re-invested earnings.

The business group conducted the survey on 41 multinational firms in 1988 to follow up the results of a survey of a representative group of multinationals operating in the Philippines. The previous survey covered the period 1981-86.

From 1973 through 1987, according to Business International, multinationals invested in the Philippines an average of \$388 million a year, and repatriated \$113.2 million a year, or a net gain of \$275 million.

The 41 multinationals paid taxes of P7.4 billion—14 times the amount paid by other companies in the top 1,000 corporations.

The salient points of the survey, according to Business International are:

- Total gross revenues reached P35.4 billion in 1987, or an average of P862.9 million per firm, compared with the P374 million average for Philippine firms. This represented an average increase of 14.5 percent from the 1986 results and an average annual growth of 36.6 percent over six years.
- Total assets of the 41 multinationals reached P61.8 billion in 1987. On the average, each firm had total assets of P1.5 billion. This was an increase of 32.5 percent from last year, and 150.3 percent over the past six years.
- The multinationals paid taxes of P7.4 billion, or 21 percent of sales. These were in the form of corporate income tax, sales tax, tariffs and duties, realty tax, license tax and other levies.

HK Risk Watcher Contrasts Stability Against Warning Signs

42000126 Manila *PHILIPPINE DAILY GLOBE* in English 9 Apr 89 pp 1, 6

[Article by Jose U. Macaspac Jr.]

[Text] Continued corruption and a widely perceived administrative weakness have eroded the gains of the 1986 Revolution, according to Political and Economic Risk Consultancy, Ltd., a Hong Kong consultancy firm.

"The saving grace is the continuing general popularity of Mrs Aquino," says the consultancy firm.

In its quarterly country risk report on the Philippines for November 1988 through April 1989, the firm, however, says President Corazon Aquino is in no danger of being overthrown by either the Right or the Left and should be able to complete her full term in office.

The report reaches this conclusion because of the restoration of major democratic institutions and the government's drift toward the right amid "the losses inflicted upon the Communist New People's Army by a more enthusiastic Armed Forces."

The report notes that there are no major external threats to the stability and peace of the country. The closest thing to an external threat is the apparently continuing supply of arms to the separatist Moro National Liberal Front from sources said to be based in Sabah, says the report. This threat, however, has been blunted by a more determined effort of the central government and an apparent weariness of the Filipino Muslim community, according to the report.

The report states that despite the progress made, government intervention in the economy remains extensive. This is true of the coconut industry, the nation's largest. The sugar industry also remains heavily regulated, says the report.

It points out that "excessive bureaucracy continues to lay its deadening hand on business and, in the process, abets corruption. Red tape is encountered even in areas of crucial importance to the economy, that is, investment promotion and processing."

The report says privatization continues to be slow and, in the process, the government remains a competitor for many a Philippine industry.

The continued existence of government corruption is beginning to cast a negative influence on private-sector operations, says the report. "The Aquino administration needs to shake off the increasingly widespread sentiment that corruption is today as rampant as it was during the Marcos era."

It continues: "The business sector is not edified by the spectacle of high government officials quarreling in public without a restraining hand from the Presidential Palace. The resulting impression that the Chief Executive does not comprehend the issues involved needs to be destroyed."

Given the nation's persistent inability to balance its external accounts, the report says, the inevitable and long-expected rise in interest rates has come to pass. It

says interest rates cannot be expected to begin declining until an improved foreign-exchange inflow enables the Central Bank to take a calmer view of the near-term prospects of the peso.

The report also predicts inflation staying within the 10-15 percent range, barring adverse developments.

Overseas impressions of poor security, administrative incapability and economic instability hamper the Philippines' effort to improve its foreign investment attraction, says the report.

Church 'in Ferment' Under Cardinal Sin
42000126e Manila BUSINESS WORLD in English
22 Mar 89 p 5

[News Analysis: Beting Laygo Dolor—"The Catholic Church in the Philippines: A monolith under attack"]

[Excerpts] The leadership of the Roman Catholic Church in the Philippines, a microcosm of the worldwide Church, is in ferment. [passage omitted]

The fall of at least two dictators, however, Duvalier of Haiti and Marcos of the Philippines, has been credited in part to the intervention of the Church in local politics. [passage omitted]

In at least these two instances, the joke of Soviet leader Josef Stalin, "How many divisions has the Pope got?" was not very funny to the ousted strongmen of the two countries. [passage omitted]

The President of the Philippines is known to be a highly devout Catholic. Cardinal Sin, the archbishop of Manila, is considered to be more than just a spiritual adviser to Mrs. Aquino.

The EDSA Revolution of February 1986 is often referred to as "a miracle" supposedly guided by the hand of the Blessed Virgin Mary, a religious personality who is venerated only by adherents of the Roman Catholic Church.

Intrusions?

With the Constitutional provision calling for the separation of church and state, Cardinal Sin's perceived intrusions into national politics may have lost him some adherents.

In the recent months, for example, Cardinal Sin:

- supported Mrs. Aquino's stand on denying the request of deposed President Marcos that he be allowed to come home;
- voiced his support for the retention of Alejandro Melchor as ambassador to Moscow;
- met with U.S. Undersecretary of state for Political Affairs Michael Armacost; and

- gave the President "a perfect score of ten" for her performance in her first 1,000 days in office.

Were these same stands taken by any other person, the actuations would be seen as nothing more than personal political posturing.

At least on the issue of Mr. Marcos's return, Cardinal Sin has taken a stance almost totally opposite that taken by Cardinal Ricardo Vidal of Cebu, the country's only other Prince of the Church. Mr. Sin is the elder prelate by birth and cardinalate.

Influential

Beyond doubt, however, is the long shadow cast by Cardinal Sin on the socio-political horizon. He is probably the only major religious figure whose pronouncements outside church-related matters are heard by those in power. [passage omitted]

(An article in the MANILA BULLETIN immediately after the EDSA revolution postulated that Cardinal Sin's wholehearted support for Cory Aquino was in retaliation to the Marcoses' constant homage to the leader of the Iglesia ni Kristo, "Ka Erdie" Manalo, and Marcos's courting of the so-called INK vote. Since EDSA, the INK appears to have lost much of its political strength.)

The influence of the pastoral letter cannot be underestimated. Lately to counter the growing "born-again" movement, the Church warned followers against "the increasing flow into our country of fundamentalist groups, preachers, television programs, and the harm they cause to many faithful."

Mainline Protestant congregations expressed support for the Church's stand. But the fundamentalists answered by saying the Roman Catholic Church "sought to preserve its religious empire," even as they denied they were being funded by foreign powers.

It is interesting to note that the Church, while warning against the activities of the fundamentalists, is itself

increasingly using the same "weapons" employed by the born-again movement.

The Church has its own Catholic Charismatics, allows lay preachers to spread its gospel and uses such media as television and radio to reach its followers. The Church also had its own newspaper once (VERITAS) and is presently negotiating to lease Channel 13.

Marketing War

The situation has all the makings of a marketing war, not unlike San Miguel Corporation vs. Asia Brewery. The monolith is not about to let any upstart organization take its share of the market that easily. [passage omitted]

A People Power church at the corner of EDSA and Santolan was originally planned as a multi-denominational place of worship. It is doubted now if the church will ever be built.

But a new church will rise at the corner of EDSA and Ortigas and the 35-foot statue of Our Lady of EDSA atop the edifice now under construction has ruled out the possibility of its use by non-Catholics. The edifice is a special project of Cardinal Sin.

Even Moro National Liberation Front chief Nur Misuari recently referred to "Jimmy Sin" as one of the politicians in control of the Philippines to justify his group's bid to join the Organization of Islamic Conference.

In their attacks against the Church, it is possible that the antagonists are, in truth, attacking Cardinal Sin, the person.

If the Roman Catholic Church in the Philippines is an institution in ferment, it is because its leader, Jaime Cardinal Sin, has followed in his own unique way the teachings of Vatican II. He no longer cares for just the spiritual needs of his flock; he also takes care of their earthly needs.

The Church calls this relevance. Many disagree.

Opinion Leaders Back Advisors in Controversy With Phong

'Mangkon Halep' Comments

42070087 Bangkok THAI RAT in Thai 22 Mar 89 p 3

["Good Morning" column by Mangkon Halep: "Adults and Children"]

[Excerpts] The advisory team to Gen Chatchai Chunhawan, whom Mr Phong Sarasin, the deputy prime minister, criticized the other day, is composed of "friends of his son." I don't know any of the advisors. All I know is that many of them have a PhD. [passage omitted] Today, I would like to speak up on behalf of the advisory team. Most of these people are between 35 and 45 years old. That is an age at which people are at peak mental performance. [passage omitted]

I agree with Mr Phong when he said that a person must spend 20-30 years before he can become an under secretary. But at the same time, it must also be admitted that many of those who have been appointed under secretary have had the support of politicians while those of superior intelligence and abilities have been kept at the level of deputy director-general or deputy under secretary.

From the perspective of a journalist like me, it seems that those deputy directors-general or deputy under secretaries have not been able to rise higher because of their inability to "pull strings."

The question now is, why does Prime Minister Chatchai have this team of advisors? It's right that the prime minister should have people to feed him data or information that he can use in administering the country. Because if the prime minister does not listen to people, he will be blamed for living in an ivory tower. But now that he is listening to them, some people think that these advisors are playing too prominent a role. I really don't understand Deputy Prime Minister Phong Sarasin, for whom all of the advisors have great respect. If something was bothering him, he should have discussed the matter with them quietly. But instead, he aired his views in public, putting himself at their level. Because of this, the people are cheering the "children."

Editorial Views Advisors' Role

42070087 Bangkok THAI RAT in Thai 28 Mar 89 p 3

[Editorial: "The Role of the Advisory Team"]

[Excerpt] [Passage omitted] It must be admitted that the present team of advisors to the prime minister is composed of a group of young and very talented scholars. They are very creative and work quickly in accord with the style of the prime minister. They are not afraid to

tackle problems that bureaucrats are afraid to touch, in part because of the nature of the bureaucracy. This team of advisors seems to be most interested in foreign relations matters.

The prime minister's advisors are being compared to the advisors to the president of the United States, particularly during the period that Henry Kissinger served as national security advisor. Mr Kissinger managed to by-pass the State Department. It was Mr Kissinger who formulated and implemented foreign policy on many issues.

But it should not be forgotten that Thailand's political system is very different from that of the United States. The United States has a presidential system. The president is the head of the administration and can order people to do what he wants. He can appoint or dismiss his cabinet members. A cabinet member is the "secretary" of the president. But Thailand has a cabinet of ministers. Moreover, the present cabinet is composed of people from different parties.

In our system, the prime minister is the head of the government. But he does not have total power. The cabinet is responsible to parliament for the administration of the country. Thus, the role of the advisors should be limited to providing advice. It should be the prime minister who takes action if he agrees. If the advisors take action on their own, that will lead to conflicts, particularly in a coalition government.

Editorial Discusses Issue

42070087 Bangkok MATICHON in Thai 21 Mar 89 p 8

[Editorial: "Advisors or Pressure Group?"]

[Excerpts] Mr Phong Sarasin, the deputy prime minister, expressed his dissatisfaction in an interview in which he attacked the role being played by the advisors to the prime minister. The long-simmering conflict finally reached the boiling point. Prior to his outburst, there had only been rumors about the conflict between the advisors to the prime minister and politicians and government officials in various units. [passage omitted]

The reason why this problem has arisen now is that this is the first time that a prime minister has paid serious attention to the proposals of his advisors. Changes have been made very rapidly, and this has led to problems. This is a good time for everyone to review their role.

However, the conflict that has arisen is an ideological conflict. It is not a conflict over personal interests. Both sides have good intentions toward the country. Thus, people's roles should be adjusted as quickly as possible based on recognizing that people have different opinions and that everyone is concerned about the country. [passage omitted]

At the same time, the other side must admit that using an advisory team composed of knowledgeable and talented people who are not trying to gain influence or profit personally will help generate a variety of views and thus facilitate the work. This will also help put an end to the sluggishness within the bureaucracy. Thus, it is essential that both sides learn to work together. Neither side must give the appearance of trying to do things by itself.

Editorial Comments

42070087 Bangkok SIAM RAT in Thai 22 Mar 89 p 8

[Editorial: "A Dangerous Sign From Phong"]

[Excerpts] In an interview with reporters, Mr Phong Sarasin, the deputy prime minister, criticized the advisors to Gen Chatchai Chunhawan, the prime minister. He said that they were encroaching on the affairs of the government by taking action on their own even though that was not their duty. This shows that there is still no real coordination between the parties in the coalition government. This is what caused Mr Phong to speak out about this before it leads to a split between the government parties, which would not be good for the country.

The thing that showed that the prime minister was taking action on his own without consulting the other government parties was the implementation of the policy on Cambodia. Gen Chatchai invited Mr Hun Sen to come to Thailand. This was done without the knowledge of Air Chief Marshal Sitthi Sawetsila, the minister of foreign affairs, who should have been informed about this. [passage omitted]

In our view, Mr Phong's outburst about this was not unusual and should not lead to a split within the government coalition. In a democracy, everyone has the right to examine things. We consider it a good sign that the other government parties realize the importance of the parties in general in engaging in politics. It's good that they are trying to prevent their party from losing its popularity. The party that took the lead in forming the government should review its role or review the party apparatus instead of entrusting the party's future to just one person.

MPs Comment

42070087 Bangkok SIAM RAT in Thai
21 Mar 89 pp 1, 2

[Excerpt] At parliament on 20 March, Mr Sutham Saengprathum, a Progressive Party MP from Nakhon Sithamarat Province, talked with reporters about the criticisms leveled by Mr Phong Sarasin, the deputy prime minister, against the advisors to the prime minister. Mr Phong charged that the advisors were going beyond their proper role and creating conflicts in various units. Mr Sutham said that the opposition had raised this issue before during the debate outside parliament on the work of the government. This shows what the truth is. Many people, including the government spokesman and the

National Operations Center, have made excuses. The opposition has warned the government that it should take quick action to heal the split between the prime minister and the minister of foreign affairs.

Mr Sutham said that the split has now grown even wider. That is, the conflict has spread to the Ministry of Commerce. He pointed out that within the sphere of the units that are concerned with international relations, various obstacles have arisen. He said that as an MP, he is very concerned, because this has implications for everyone in the country. This could affect the interests of the country in view of the fact that every country is competing for survival. We must be unified and divide the duties in order to reach our common goals. But people are not discussing things with each other, and conflicts have arisen.

"I am worried that the advisors to the prime minister or other units that have taken action in the name of the country and announced good results are concealing something. As a result, cabinet members have become fed up and instead of discussing things among themselves, they have aired matters in public. Besides this, hurling insults at each other is more a matter of emotion than reason. I don't agree with the charge that they are children who are out to make a name for themselves. I think that the senior people on both sides should find a way to solve this problem. I hope that the government will remember the words of the king, who said that we must narrow the generation gap and the ideological gap," said Mr Sutham.

Mr Sutham added that with respect to the problem that has arisen, the House Foreign Affairs Subcommittee plans to ask the prime minister's advisors and representatives from the Ministry of Foreign Affairs to submit data in order to find a solution. The government must solve this problem so that it does not grow even worse, because that could be bad for democracy. There are both those who agree and those who disagree with the steps taken by the government, which could lead to a movement of some sort. "We don't want any opposition outside parliament. We feel that the prime minister's advisors, who have new ideas, are sincerely trying to help the country."

Mr Dusit Sophitcha, an MP from Ubon Ratchathani Province and the deputy secretary general of the Community Action Party, said that the advisory team did not do anything wrong. But they are young men with ideals and a desire to express their ideas. He said that he supports having an advisory team to provide suggestions. It can also function as a mirror to reflect the work of the government. As for the comments made by the deputy prime minister, he said that he does not think that this concerned meddling in the affairs of others. It probably had something to do with earning a living. The advisors may have known about this and this led to a conflict. He said that he considers this to be a matter between certain political parties.

Mr Dusit said that as for foreign policy, the Social Action Party should adhere to its ideals and policies and decide whether the actions of the party leader are correct. He said that the foreign affairs minister is losing to the advisors to the prime minister. Moreover, most people agree with the advisors that Indochina should be turned into a trading field. He said that the Social Action Party has taken a beating on this point. Thus, it should find a way to strike back at the advisors.

Mr Dusit added that what has happened shows who has greater capabilities, the deputy prime minister or the advisors. If the prime minister continues to place his trust in his advisors, Mr Phong Sarasin should resign. Because if he remains in office, he will just lose face and the party's reputation will be tarnished.

Mr Phiraphan Phalusuk, a Prachachon Party MP from Yasothorn Province, said that the deputy prime minister likes to belittle people. The advisors are not children. Many of these people hold prestigious positions. He should not have said what he did. At the same time, in the present administration, there are several ministers who are very young.

Mr Phiraphan said that the prime minister should take responsibility for solving the problem involving his advisory team. Whenever a problem arises, it should be discussed with the prime minister. Mr Phong should not have spoken in public about conflicts within the government. There was probably some other reason why Mr Phong spoke out like that, and it probably concerns the Ministry of Commerce. It probably had something to do with the intellectual property issue, which has been a matter of dispute for a long time. Or it may have concerned the copyright issue, which has been a problem ever since the time of the Prem administration. The Social Action Party tried to get the government to revise this law. After Gen Chatchai became prime minister, he disagreed and so there have been rumors that the United States will implement Article 301 to put pressure on Thailand.

Mr Phiraphan added that what has happened is a conflict within the administration. The government has not yet been able to set a definite course. He said that he does not think that the advisors are taking this position for personal reasons but to benefit the country. But others don't agree and so they think that the advisors are meddling in their affairs. [passage omitted]

Editorial Defends Advisors

42070087 Bangkok NEAO NA in Thai 21 Mar 89 p 5

[Editorial: "The Advisory Team"]

[Excerpts] Mr Phong Sarasin, the deputy prime minister and deputy leader of the Social Action Party, expressed dissatisfaction with the advisors to the prime minister. He said that they are meddling in things that do not

concern them. He called them children who like to show off their abilities, which is causing dissatisfaction among regular government officials. [passage omitted]

It must be admitted that this team of advisors is composed of very talented people. They are trying to benefit the country by coming up with new ideas. They are constantly studying the situation. Everyone on the advisory team is an honest person. They are idealistic and hardworking. Having such a team reduces the workload of the prime minister. The prime minister has time to think and make the best decisions possible. He also has a data base that can be put to good use.

As compared with the advisory teams to the various ministries, the advisors to the prime minister have done much more to benefit society. Thus, their good points far outweigh their bad points. As for the criticisms made by Mr Phong, the advisors to the prime minister should consider what he said and find a way to overcome their weaknesses. At the same time, senior people must be more generous. If the advisors make a mistake that can be corrected, steps should be taken to correct it. They must try to work together.

Editorial Criticizes Phong Reaction

42070087 Bangkok BAN MUANG in Thai
23 Mar 89 p 2

[Editorial: "The Advisors Are Important"]

[Excerpt] [Passage omitted] Regardless of whether it is a political, economic, trade, administrative, or social matter, the advisors to the prime minister have worked diligently. This has benefited the recipient of their advice, that is, the prime minister and the country as a whole.

However, the work of the advisors has affected the work of the ministers, ministries, bureaus, and departments and even the deputy prime minister, who seems to think that he has the right to solve the problems alone without interference from anyone else. Such a view is at odds with the real situation in our administration system. Because the person who holds ultimate administrative responsibility is the head of the administration, that is, the prime minister. The cabinet is just another advisory group to the prime minister.

Thus, the reaction by Mr Phong to the ideas and proposals of the advisors to the prime minister, who has entrusted them with the task of monitoring things and providing help in solving various problems, is very inappropriate. The prime minister has given them permission to take action. They have taken action on behalf of the prime minister, which should not distress anyone.

Columnist Supports Advisors

42070087 Bangkok *BAN MUANG* in Thai
24 Mar 89 p 5

["Ta Mo Lo" column: "The Advisors"]

[Excerpts] Mr Phong Sarasin, the deputy prime minister, is "fed up" with the advisors to the prime minister. He feels that they are going beyond their proper role. In an interview with reporters, he said that they have good intentions but that they should not "overstep the bounds." He said that they must understand what their duties are. Their only duty is to give advice to the prime minister. They should not by-pass the ministries or meddle in the affairs of those responsible for taking action.

What has upset Mr Phong the most is that the advisors have asked to be allowed to meet with foreign representatives in place of foreign affairs officials. "The under secretary, who has 20-30 years of experience should be treated with greater respect," said Mr Phong.

I really don't want to call this a "conflict" with the prime minister's advisors, because that is too strong a word. And it is not a generation gap. Rather, it is a "gap" between the advisors to the prime minister and the deputy prime minister. They should try to patch up their differences. [passage omitted]

Gen Chatchai's new policy, which has caused quite a stir among those who are unfamiliar with things, was formulated by his team of young advisors. [passage omitted] In certain instances, the prime minister, who is the head of the government, has asked his advisors to do things which can be construed as meddling in the affairs of the ministries. But that is what the prime minister intended in order to achieve certain results. Many countries do the same thing. There is nothing strange about this.

In some of their interviews, the advisors have expressed views that conflict with the policies of the ministers. But it can be said that they are just expressing their personal views, with which people can agree or disagree as they wish. It is no longer possible to limit the role of the advisors to simply "providing advice" as in the past. These advisors are scholars who have enjoyed freedom of expression. They are used to expressing their views freely. [passage omitted]

The new factor should apply to the advisors, too, because the advisors are the "brains." If we restrict them, how can we benefit from their brilliance? We should let the advisors play their role. The senior people can direct things.

Editorial Seeks Compromise

42070087 Bangkok *DAILY NEWS* in Thai
24 Mar 89 p 5

[Editorial: "Don't Argue"]

[Excerpts] The conflict between Mr Phong Sarasin, the deputy prime minister, and the advisors to the prime minister is still a topic of discussion. [passage omitted]

Actually, the conflict between the Thai Nation and Social Action parties started a long time ago. In particular, they disagree about foreign policy and the Indochina policy. [passage omitted]

The right way to solve this problem is to have both sides discuss things together in a calm and reasonable manner. Becoming emotional and criticizing others in public is not the way an intelligent person acts. Doing things this way will not help resolve the issue. It will just make the situation worse. [passage omitted]

POLITICAL

Border Relations With China Improve 42090244 Hanoi QUAN DOI NHAN DAN in Vietnamese 30 Mar 89 p 4

[Article by Hoang Hoa: "Recorded in a Sino-Vietnamese Border Region"]

[Text] This spring is the first since 1979 in which compatriots and soldiers in the border region have celebrated the lunar new year in peace and quiet. Many families returned to their old villages next to the border area and many people on both sides of the border visited each other. Many Chinese and Vietnamese markets were attended by people crossing from the other country. Vietnamese girls with husbands on the Chinese side revisited their parents and were permitted to remain several days.

Initial signs of a normal life have appeared. This is in keeping with the desires of the people of both countries.

Therefore, the border people set off many more fire-crackers this lunar new year than ever before. At Tra Linh, one of the entry and exit points in Cao Bang, a Tay peasant set off five continuous petards to welcome the new year and wanted to fire some more. There were explosions but not the explosions of shells and mines. The sounds differ from those of artillery rounds fired across from the other side that almost never ceased throughout the past 10 years.

Markets in the border region are overflowing with goods. Commodities from China such as thermos bottles, bowls, dishes, clothing fabric, bottled beer, industrial and agricultural machines, insecticide sprayers, etc., are brought across. Vietnamese are selling ceramic articles, pharmaceuticals, salt, handcrafted fabrics, dried fish, marine products, etc. on the Chinese side. We have the impression that the exchange of goods common before 1979 is being revived.

People in the border region are usually closely related to each other, share the same language and have always conducted a cultural interchange. Clearly understanding these feelings, the local Vietnamese administration in the border region has not interfered with the normal visits of Chinese wishing to enter Vietnam.

Many Chinese youths allowed to visit Vietnamese markets after 10 years cannot avoid feeling confused and delighted. They usually want to have a suit made in Vietnamese shops because the tailoring by Vietnamese craftsmen is beautiful.

I asked a Chinese youth, "How do you feel about crossing to shop in Vietnam?"

"I like it very much. The Vietnamese are very kind-hearted and they make beautiful clothing. They suit I am wearing now was made in Vietnam. I only hope this situation will go on forever."

I asked a farmer, "Why do you carry large dates across to sell in Vietnam and buy small ones to carry back?"

"These small Vietnamese dates are delicious and cheap and the girls in my village are very fond of them."

The Chinese people don't want to buy export rush mats but prefer the Vietnamese domestic kind with no flowers. They look for and purchase the inexpensive goods, the types essential to the common laborer, because there are many poor people on the Chinese side and they don't want to buy expensive items. The Chinese are famous for their frugality.

Mutual commodity exchange in the Sino-Vietnamese border region is a legitimate requirement of the people of both countries, especially the local people, and it does not benefit the people exclusively. Previously, the railroad ran from Yunnan to Hanoi and Haiphong where the freight went by sea, a major Chinese transportation route with a saving many times that of the route from Yunnan to the sea on the Chinese mainland. If this route is reconnected, it will benefit China.

Nevertheless, crossing the border cannot be arbitrary but must follow discipline and law. It must be something resolved and agreed upon by both countries. Up until now, this has not occurred. The people in both Vietnam and China feel that an atmosphere of harmony has begun but that nothing is stable or firm.

On the Vietnamese side, good border management is a problem to be met in answering the requirement that travel and commodity exchange between people on both sides of the border be satisfied but that the security of the nation be properly maintained.

Every nation has regulations for crossing its borders. On the Sino-Vietnamese border now, it is necessary to properly register anyone wishing to cross, to inspect goods, and to prevent smugglers from disrupting the Vietnamese market as well as to have a customs fence to manage departing and arriving goods precisely in accordance with the law. Vigilance and precaution against wrongdoers taking advantage of loopholes in the border to engage in destructive activity is an extremely essential job. Watching the people cross the border, I have the impression that the door to normalizing relations between the two countries has opened. However, that is only an emotional thought. There is still much to be done expressing the friendly and peaceful sincerity at the state level before there can truly be a normal interchange in order and security between the people of the two countries.

Lt Gen Le Kha Phieu Comments on Basic Party Congresses

42090247 Hanoi *QUAN DOI NHAN DAN* in Vietnamese 4 Apr 89 pp 1, 4

[Article by Lt Gen Le Kha Phieu, Deputy Director of the Political General Department: "Some Issues Extracted from Basic and Directly Higher Level Party Congresses"]

[Text] Implementing party statutes to thoroughly understand and develop achievement of higher echelon directives, nearly all basic level and directly higher level units throughout the army recently held party organization congresses in a spirit of urgency, strictness, renovation, and precise principle.

By inspecting and following the situation of unit congresses, we have extracted the following several issues:

First of all is the task of preparation. The level of success of a congress depends upon many steps but preparation carries a decisive significance. Generally speaking, units have conducted diligent and strict preparations and have concentrated on key themes. Before the congresses, units created an atmosphere of democracy and openness. The party committee assigned each committee member to hold discussions with party members and dialogues with the masses to grasp the actual situation of the unit. When preparing the political report, responsible agencies (staff, political, rear services, technical, etc.) were mobilized to assist the party committee in deeply evaluating each work aspect and specific proposals of problems for leadership resolution. In many locations, the standing committee and party committee secretariat directly compiled and edited the draft report without contracting organization cadres as has long been done. This overcame occurrences of simplicity, formalism and low quality.

On the basis of thoroughly understanding Resolution 5 of the Party Central Committee, many party committees in their reports closely reviewed party organization leadership in achieving the unit's political mission, and accurately reflected the political and ideological situation of cadres and party members and the results of mission completion during the above term in all work aspects. From that, they evaluated the combat strength and leadership standards of the party organization, affirmed active factors, pointed out substandard aspects with an accurate definition of the causes, and extracted key issues in education, training and raising the quality of party members, and the party organization. While evaluating the situation, an extremely important theme in the project was a thorough understanding and firm grasp of the specific political mission requirements of one's own unit in the coming term to set a correct course, to define realistic political, ideological and organizational requirements, themes and methods, to ensure successful achievement of the unit's mission, and to build a pure and powerful party organization. Because nearly all the party committees gave proper concern to the preparation step, it assisted in causing the congresses to precisely follow the

center of importance and to achieve good results. Between evaluating the quality of leadership during the past term and thoroughly understanding the unit's political mission during the coming term, there is a firm relationship. Many reports revolved around the political mission to evaluate the situation; while simultaneously basing on the leadership results during the past term to realistically define leadership requirements for achieving the political mission during the coming term.

In a number of units however, report quality was low, still generalized and flat, and not yet truly delving into leadership of the political mission and the task of building the party organization: summarization was not high and combat nature was still limited. Some reports were still repetitive and tediously long, falling into administrative tasks and not expressing a leadership nature. Because some locations did not delve into a thorough understanding of unit political mission requirements, congressional discussions were usually scattered and lacking in concentration, leadership courses, themes and methods were not closely connected with a position of congressional nature, and key issues were not given the proper level of attention; closeness between review, evaluation, and leadership courses was lacking, etc.

Streamlining and stabilizing the cadre ranks is constantly connected with streamlining the party committee echelons. Based on upper level supervision and the unit's actual situation, before beginning a congress, many party committees positively reexamined and partially streamlined the cadre ranks, especially management and sector head cadres. Many units and high-level party committee echelons maintained close contact with the strength and weakness situation and level of confidence of unit cadres; rearranged cadres to truly answer mission requirements and to win the confidence of the masses. However, this issue was not properly rated in a number of locations because some had the viewpoint that election results should be used as a measurement of cadre ability and quality and from that only streamlining the cadre ranks after the congress. Actually however, if some committee member echelons (especially management cadres) with shortcomings and low trust are not reassigned beforehand, preparation and implementation of the congress would be greatly restricted. In a number of other locations, although the cadre ranks were streamlined prior to the congress, arrangement and deployment were inaccurate and were unacceptable to the congress. A number of division and regimental level management cadres did not make the committee level.

Concentrated and unified leadership and development of democracy and openness are two inseparable issues in the process of preparing for and carrying out a congress. In the congresses, the unit chairman thoroughly prepared a specific program and theme, assigned responsibility to each member for control, appealed for discussion on the primary theme and briefly summarized each issue. The congressional process promptly discovered different kinds of opinions, formed issues for discussion, oriented opinions into

central steps, distinguished between right and wrong, created a unified viewpoint, and unified evaluation of the party organization's leadership results, issues requiring careful discussion to change the situation.

With a democratic spirit and upholding strict self-criticism and criticism, the delegates conducted discussions aimed straight at the primary themes; clearly analyzed the strong points and weaknesses of leadership during the past term; properly evaluated the level of completion of the unit's mission; deeply analyzed causes; and clearly stipulated the specific responsibility of party committees, commanders and cadres at all levels, and the vanguard example role of party members in organizing achievement. Nearly all the opinions were thoroughly prepared from a study of proposals, maintaining close contact with unit achievement and revolving around the work aspects being undertaken. Many opinions expressed a combat nature, spirit of responsibility, honesty and sincerity in struggling against substandard aspects and occurrences of inaction and negativism in the party organization. Methods were concisely, frankly, and clearly expressed and had a persuasive strength. Differing opinions were straightforwardly and openly discussed to define their level and distinguish between right and wrong.

In conjunction with that, there were also limiting aspects in the congressional discussions: a number of opinions were of low quality, repetitive and tediously long and failed to go straight to the central and key points; the spirit of criticism and self-criticism was not high, and criticism was generalized without clearly stipulating specific responsibility; causes were not clarified and the position of the party organization as the highest leadership organization was not accurately reflected. Discussions on the task of building the party were not expressed as a central part of the congress. Many major issues such as the ideological situation and ideological work of the party organization, building the party organization, building cadre ranks, managing party members, and executing principles of leadership organization and party activities are presently weak links but received little mention in the discussions. The summarization and conclusion of congresses in some places was not well prepared, summaries did not contain all the themes and opinions of the congress, and arbitrary and individual opinions entered the conclusions which in substance is a violation of party leadership principles. Concerning the election of new party committee echelons, following the spirit of Resolution 5 of the Party Central Committee, basic and directly higher congresses generally conducted party committee echelon elections that were truly democratic, without pressure, and correctly ensuring principle. Congresses carefully discussed the standards and principles of procedure, and the development of delegate responsibility. Election lists were all used by party members and delegates in the congresses to discover, nominate and elect candidates. In the party committee echelon elections, many units maintained contact with cadre projection, used standards as the primary element,

applied no structural pressure, and gave attention to the introduction of young and neighboring cadres to the party committee echelon to answer the requirements of continual development. The good quality of party committee member ranks was assured, outstanding individuals in the party organization and truly trusted in the unit. The number of new committee members participating for the first time in the party committee echelon accounted for nearly 30 percent. A majority of management cadres were confidently elected to the party committee echelon by party organization congresses.

Despite thorough preparation and selection, the spirit of responsibility of some delegates as expressed in the elections was not high. Sporadically in a number of congresses, there were still some invalid ballots (about 6 percent). Some congresses still had a situation of pressure, expressed in a fear that the ballots were not concentrated so only allowing the number of nominees and candidates to closely correspond to the number the committee echelon could elect. Conversely, in some party organizations, each detachment, sector and unit wanted its constituent to enter the committee echelon structure so the number of candidates and nominees was high (in some individual congresses, the number of nominees was three times the number of stipulated committee echelon members), consequently causing the congressional delegates difficulties in selection when ballots were cast.

In a atmosphere of democratic political activity, openness and maintenance of principles, the congresses at two levels throughout the army party organization achieved fine results, expressed the need for partial renovation and ensured quality. This is a profound political activity in the party and among the masses, serving as a nucleus in leading the unit to mission completion.

To develop results after the congresses, party committee echelons have formulated plans for thorough achievement organization, first of all organizing a complete understanding of the unit's congressional resolution, assigning each committee echelon member responsibility for each specific work aspect, establishing a realistic leadership work program, concentrating on the key steps, and closely connecting with the great campaign aimed at creating an active change in achieving the political mission of the unit and building a pure and powerful party organization.

State Capitalism Explained

42090257 Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 19 Apr 89 p 2

[SAIGON GIAI PHONG Answers Readers column: "On State Capitalism"]

[Text] Recently many readers in the city and the provinces have sent letters to SAIGON GIAI PHONG posing questions about state capitalism. Professor Tran Dinh

But, of the Central Economic Management School, answered those questions as follows:

1. What is state capitalism?

State capitalism is one of many economic components present in our country in the course of advancing to socialism.

It is called state capitalism because two parties participate in it: one party consists of one or many capitalists and the other party is the state, led by the working class. The two parties cooperate in production and commerce, each party contributes capital and technical facilities or factories, etc., and profits are distributed according to the contributions of each party, in accordance with the principles of equality, profit sharing, and loss sharing.

2. What is the difference between state capitalism and private capitalism?

In the state capitalism component two parties cooperate, as stated above, while in the private capitalism component there is only one subject—one or many capitalists who contribute capital for joint production and commerce.

3. Does state capitalism exist in the capitalist countries?

Yes, and it has existed for a very long time, since the last century. At present, in nearly all capitalist countries there is cooperation between capitalists and the state in organizing production and commerce.

But the point that must be stressed is that there is a qualitative difference between state capitalism in the capitalist countries and state capitalism in the socialist countries. Under the conditions of capitalism, state capitalism is a form of economic organization that serves the goals of capitalism. But under the conditions of the socialist countries, state capitalism is an economic component that is close to socialism, one in which there is cooperation between capitalists and the socialist state in advancing together to socialism. The state fully utilizes all latent capabilities regarding knowledge, technology, capital, and experience of the bourgeois class, and the bourgeois class is guided by the state in production and commerce for the benefit of the whole nation, including the bourgeoisie.

Because of that progressive nature of state capitalism under the conditions of building socialism, V.I. Lenin affirmed that it was "the fullest material preparation for socialism, a waiting room for socialism, and a rung on the ladder of history that is immediately below the rung of socialism." (Lenin, "Collected Works," Vol 43 p 256).

4. What is the role of state capitalism vis-a-vis our country's present situation?

As stated above, under the conditions of our many-component economy at present, the state capitalist component is

"a component that is close to socialism." That was affirmed by the Sixth Party Congress and in the speech concluding the recent sixth plenum of the party central committee, in which General Secretary Nguyen Van Linh stressed "the long-range strategic significance and manifestation of economic democracy of that policy."

More specifically, by means of close cooperation with the state in a production-commercial organization, the capitalists have a solid, reliable, and stable basis for long-range activity, and can be at ease in investing capital and devoting all their enthusiasm and experience to perfecting organization and management in order to attain high economic effectiveness, in a spirit of "sharing profits and losses."

In relations with world markets, the capitalists in the state capitalism component certainly have much more favorable conditions in comparison to their status of private capitalists.

As far as the state is concerned, bringing capitalists into the state capitalism component is an important step in bringing them onto the path of planned livelihood with a socialist orientation.

V.I. Lenin once said of the role of state capitalism, "When the working class learns how to organize production on a national scale, on the basis of state capitalism, then—please excuse my expression—all of the trump cards will be in the hands of the workers and the consolidation of socialism will be ensured. With regard to economics, state capitalism is much higher than our country's present economy. That is the first point. Secondly, there is nothing about state capitalism that the Soviet administration should fear, for the Soviet nation is one in which the administration of the workers and poor peasants is ensured." (Lenin, "Collected Works," Vol 43 p 252).

Therefore, in his speech concluding the sixth plenum of the party central committee, General Secretary Nguyen Van Linh affirmed that "By means of the process of employing the management, regulation, supervision, and control of the socialist state, we will orient the capitalist economy to the different high or low forms of state capitalism. To do so is to carry out socialist reform in a practical and effective manner."

Renovation Requires New Customs, Styles
42090237 Hanoi VAN NGHE in Vietnamese
No 9, 4 Mar 89 pp 6-7

[Article by Phuong Luu: "Renovation From Revolutionary Lessons"]

[Text] During the past 2 years, our literature has accomplished many tasks. To say change and not renewal is not being objective. It may be generally stated that with no

deviation from these previous beginnings and signals, the literary achievements symbolized as creativity were initially imbued with the spirit of the Sixth Party Congress: to speak frankly and speak the truth, and for the people and because of the people. Continuing on, renovation surely cannot be severed from this short but extremely seething period. These achievements were first of all those of many writers closely connected with life, thoroughly understanding a regard for the people and with a high spirit of responsibility to the state. Naturally, it is impossible here to forget the role of the midwives, the association's publishing organs and press, etc. [passage omitted]

In posing such a straightforward issue, just leisurely and modestly gaining experience on the detrimental things is difficult to avoid in these initial steps. Possibly the period had the impact necessary for a more detailed and thorough acknowledgement from beginning to end, and consequently the attitude can and must be more composed. I personally feel the shortcomings and deficiencies, and ultimately speaking, they are not unique to anyone because, although they may be accumulating in a number of locations and moments and in a number of people caught in the whirlpool, all the responsibilities must be shouldered. That is because these shortcomings and deficiencies have nothing new at all but are extremely familiar, have been collided with by this individual or that group, and are now revealed in a new direction. Ironically, these very shortcomings and deficiencies have successfully contributed the critical demands for today's renovation effort. Nevertheless, we now renovate but also follow the old styles, modes and manners! Perhaps this is the key to the problem of explaining the dialectic between the noteworthy achievements and the no small deficiencies occurring during the period of the past several years. These deficiencies have been extremely closely connected with each other, this one the result of that and the reason for another, but they may be temporarily noted in the following aspects.

First of all is the attitude toward correct things in the past. During our revolutionary process, not a few things have been crossed off and then had to be restored. Individual economy and the market pattern are examples. [passage omitted] However, failing to gain experience from the great lessons of the revolution is irresponsible. It is true that in the literary sense, no one can deny the revolutionary literature achievement. However, the issue may be examined along a different plane. While correctly emphasizing that renovation is essential, a number of people are apparently giving little concern to the possibility of relying on any of the fine achievements made during the last nearly half century of literature for continued development. The conflict that we must rise to today, in the final analysis and in substance, is not primarily between old and new but between right and wrong. Naturally, development must be made on the first plane, the conflict between the new right and the old wrong. However, we must remember it was originally also a conflict between the right old and the wrong old

and consequently, if not alert, this inevitably lead to contradiction between the old right and the new wrong. True, legitimate arts and letters cannot submit to degenerate politics, and for legitimate politics, arts and letters cannot play a illustrative role. It is true that arts and letters must assist in reforming negative aspects in life, and cannot passively reflect the active aspects. However, all of these things should not lead to neglect for or even denial of the flesh and blood attachment between arts and letters and politics, or of the achievement of reviewed and proven regulations and principles that today, if there is indifference or intentional violation, will surely encounter obstacles.

Revolution and renovation are stated but whenever momentum must be exceeded, they are just extended. This is certainly old thinking and at least bears the traces of spontaneous periods. Today however, because we must make a more conscientiousness and intelligent history for ourselves, a more accurate level is necessary because, if there is anything in excess, it means a return trip must be made. History can and must rapidly advance but primarily because of that, adventurous and unprofitable steps are unacceptable. Naturally and specifically, in any location where limitations to suitability exist, corrections must be made and continued development conducted which indeed is not simple. In my opinion however, the identification here certainly must be a process of "haste makes waste." Furthermore, the things that must be done immediately, meaning occurrences that everyone condemns such as evasion of creativity, loafing in criticism, etc., are not few. correction is not easy and they inherently must absorb the intelligence and fervor of everyone. As for the other tasks that are still unclear, the truth is temporarily recorded in the attitude of most understanding and sincere individuals. Without obstructing any plan or calculation, they are usually more alert and objective. Naturally not everyone agrees with the majority on the truth. One person can think more accurately and better than many. However, that is thinking. A few people cannot completely accomplish a job if they separate themselves from the relative majority with understanding and sincerity.

The problem of renovation objective naturally leads to one of renovation motive. Once the scope of renovation is arbitrarily defined, advantages and disadvantages cannot be calculated and forward steps cannot be evaluated, inevitably restricting the forces participating in renovation. This is a lesson commonly noted in our revolution. On behalf of complete revolution, anything that has been destroyed, even if unwanted, will consistently become an isolated faction and sect confronting everyone. The truth is always on the contrary with the most complete revolution causing everyone to return to the revolution. We have made many mistakes, allowing those things that are not or even not yet revolutionary to resist the revolution and to commonly depict a "viewpoint" for those with different opinions. Almost the same situation is duplicated. Anyone with a different opinion, including those

who contribute extremely sincere ideas, are "conservative" despite the fact that occasionally the subjects themselves under these specific conditions are extremely and stubbornly conservative. The palette is too simple with only two colors, white and black, so how can everyone be assembled? This is an overly obsolete method of color distribution that has been condemned. Today, as everyone knows, besides basic courses, the new is the subject of a search filled with protracted difficulties and is definitely not found in the hands of a few individuals. Everyone must be eliminated who resists the renovation task, and all differing opinions, viewpoints and working methods must be respected. Naturally, time will filter out and clarify contributions to renovation, many slightly different depending on the individual and not ending in a draw. As artists however, we thoroughly understand the words "discussion ends on a dead man when the coffin is sealed (sealing a coffin before a conclusion is reached). Now, everything is spontaneously happening, achieved and completed, meaning that everything is up front; and premature self-bestowal is humorous.

The advantages in renovating literature and art, especially in our country, are apparently not yet fully sensed. As legitimate intellectual artists and writers, their lives must always be somewhat creative and new. They are extremely sensitive to uninteresting and old fashioned things. More importantly, the consequences of degeneration and disintegration in our society has caused most artist and writer intellectuals to become poor, sharing the same fate as honest and law-abiding people. Therefore, I don't believe that any trend of legitimate renovation will divide the ranks of our writers. Continued renovation, meaning that all writers must truly unite, will only eliminate every "dodger."

Continuing, I want to speak about respect for the truth. Previously, because of voluntarism, a simplified way of thinking and unilateral praise, we abandoned or extremely neglected the truth. During the past several years, speaking straightforwardly and truthfully has greatly restored the prestige of criticism and especially creativity. Unfortunately however are the initial indications of speaking inaccurately and untruthfully, and becoming devious when rejected, thus beginning to fear the truth. I think that, even self-respecting overseas Vietnamese will feel extremely annoyed once they clearly understand that a number of things they have published and reemphasized over there turn out not to be the truth. [passage omitted]

Criticism of the slow and conservative, although harsh, still should not be persistent, definitely should not boast or exaggerate and especially cannot constantly deny even the strengths, although few, if they are the truth. The old has been unkind so it has been condemned. Thus, the new must be kind, not replacing one unkindness with another. This also, in my opinion, will allow the progress of renovation to be quicker because recently, no "new outlook of needing to play the role of an army transportation unit commander given an old school of thought" has occurred. Instead,

everything must be properly truthful to create a situation forcing adversaries to cannot help but admit their mistakes; while exaggeration and excessiveness will cause them to easily refuse to acknowledge their problems and to return to rejecting the true inaccuracies of the subjects themselves! [passage omitted]

Finally is the problem of "productivity." I feel the previous revolutionary feeling inside and outside the country have been studied and restudied but have still not been absorbed, especially the difficulty in achieving the great concept of Lenin on the final task of setting forth a "higher productivity." To say that many meetings have resolved many and then enough kinds of strategies, sections, etc., but results continue to wither away, surely the revolution must be returned and reality redone. Renovation in literature must be thus. The primary if one does not want to say only objective is the need to create a higher literary foundation. Writers renovate the truth in the final analysis only when their creativity is better. Naturally, this is an extremely difficult problem that requires time for the works and abilities of writers to crystallize. I oppose using the value of art as the sole standard for rating literary achievements during the past several years. Nevertheless, it is necessary to clearly observe the final objective of the renovation task as such a "construction" in order to have a suitable attitude about things that must be immediately "resisted." For example, it is absolutely necessary to release writers from the fetters of degenerate and old fashioned viewpoints. However, this is only an extremely minimum condition for fine creations. So, do not create a provocation between renovation and release. Many leaders previously released someone who turned out to be a poor or a sporadically good and bad writer or poet, and worried that this was the common feeling. Many people screamed that the problem of release has reached a level that is impossible to conceal from the experienced eyes of the entire circle; because that is merely a reckless denial of one's own almost permanent sterile condition. It has been said that when restructuring was begun in the Soviet Union, up to 8,000 drafts were in drawers. We naturally also have unpublished valuable works but they are probably extremely rare!

I still believe that the painful sensation over being shackled is only felt by writers with ability and talent. As for the degenerate and unintelligent forces, it is unnecessary to waste time shackling the cowardly and untalented. Ultimately speaking, there must be something before it can be bound and a vacuum cannot be bound. After being released, it is increasingly necessary to cultivate ability and talent because if not, one will rebind oneself. Escaping the shackles of Miss Tuyet is essential but does not inevitably lead to a fine future for Giang Minh Sai, and on the contrary, he has rebound himself because of Miss Chau. Thus, the final shackle is always the most difficult to cast off because it is primarily the lack of ability and talent. A writer must constantly resist mainly himself in this manner. It must be truthfully stated that writers successful in this aspect are always rare. Therefore, a self-respecting writer is always obsessed with the smile of the future: "His entire renovation undertaking is only a shout for renovation." Naturally,

expressing an attitude, creating an atmosphere and responding to the overall movement are essential but in place of a high-pitched shout must be creative labor and increasingly stricter and richer study.

Briefly, the expressions of intentional display and self-bestowal, disrespect for the truth, lack of a scientific attitude, etc., and the mistakes made in the renovation movement noted above are becoming extremely old. There is no need for slight ridicule or even annoyance here because all of us have more or less crawled out from the old. However, a complete concept and vigilant awareness about this is both probable and necessary before the renovation undertaking is firmly endorsed and consequently partially faster. This is because, for renovation to become a true revolution, environmental improvement must be a process of improving oneself with a sense of high conscientiousness, as Marx said. If not, the environment will be improved only a trifle and will quickly revert to its original form.

What is the primary obstruction to renovation at the present time? I wish to reply to this question in a partially indirect manner. Historical experience has shown that in the conduct of any revolution, there is a need for alert differentiation between the two types of reaction that although somewhat intertwined still bear different natures. The first extremely persistent reaction is by those who lose special interests and privileges and naturally must resolutely counterattack. However, there is usually a second reaction by a majority of conscientious and sincere individuals that is apparently reserved for the "assault soldiers." They never resist a revolutionary objective or ideal and are only displeased with results that actually occur that are not entirely in keeping with the original objective. The melon rind has just been cast to one side and the coconut shell seems about to be thrown out. This is a new incident but anyway still belongs to history. Now, continuing this step in the spring, we are all without exception beseeched to place all of our intelligence and revolutionary lessons in the key renovation task of NOT CONTINUING RENOVATION BY THE OLD CUSTOMS AND STYLES.

MILITARY

General Doan Khue Evaluates Recent Area Defense Exercises

42090253 Hanoi TAP CHI QUOC PHONG TOAN DAN in Vietnamese Mar 89 pp 8-15

[Article by Senior Lieutenant General Doan Khue: "From 1988 Provincial, Municipal Area Defense Exercises, Initial Experience and Some Problems Needing Resolution."

[Text] In 1988, the Ministry of Defense joined military regions in supervising a number of provinces and cities throughout the nation in conducting area defense exercises with the purpose of achieving and substantiating in real life the resolution of the party on the mission of strengthening national defense.

This was a new reorientation in the process of preparing the country, people, and armed forces for combat readiness to protect the fatherland. If during previous years, this process was expressed in a concentrated manner by campaign exercises of the armed forces with primarily main force troops, the provincial and municipal area defense exercises are an effective preparatory step for the entire party, people and army in fulfilling the mission of combat readiness and protecting the fatherland on a territorial basis.

The exercises were conducted precisely in accordance with an objective and theme consistent with the overall supervisory plan of the ministry, and the characteristics and mission of each province and city over a short period of time. In these exercises, leaders, commanders, and section and sector agencies at all levels of the three party, administrative and military systems participated directly; but primarily at the provincial, city, district and ward level; while village and subward exercises were held only in a number of local areas.

Despite conditions of many socioeconomic difficulties, a short period of time for preparation and lack of experience, the military regions, provinces and cities made great efforts, actively prepared and strictly conducted the exercises with a high sense of responsibility. It is possible to evaluate that exercises achieved good results.

We initially developed and successfully substantiated the party resolution on the mission of strengthening national defense during the new period and building provincial and municipal area defenses. Since our country was reunified, this is the first time we have developed and carried out in a total, specific, and relatively uniform manner from the central to the local area the resolutions of the party on the mission of strengthening national defense and protecting the fatherland. In concept, we agreed with the resolution. However, its specific organization and achievement was a decisive step. At first, every problem could not be immediately visualized and incorrect conceptions were unavoidable, especially on the requirements, themes, and methods of building provinces and cities into strong defensive areas. The vivid reality of the exercises assisted party, administrative, and military echelons from the central to the local area to initially and clearly visualize the leadership mechanism and basic themes in building political, economic, military, cultural, social, etc. defensive areas. More importantly, party committee and administrative echelons were able to recognize the basic features of the role, function, mission, and action course of their own level in achieving the party's policy of a national defense of all the people in provincial, municipal, district, and ward areas.

The exercises affirmed the correct viewpoint of the party on the mission of strengthening national defense as well as the leadership role and mechanism of the party in the undertaking to strengthen national defense and prepare the nation for resisting a war of aggression. This was the greatest and most outstanding success of the exercises.

The truth is that, during the exercise preparation process, party and administrative headquarters echelons were still hesitate and perplexed. However, while directly participating in the exercises, key provincial and district leaders and directors were able to strengthen their confidence and clearly recognize the leadership role of the party in strengthening national defense. Everyone agreed that, only with this new leadership mechanism is it possible to create a composite strength of all the people (in each local area and throughout the nation) and a self-sufficient and positive capability (or coordination with higher level forces) to strike the enemy and firmly protect one's own local area.

Although not yet able to study or receive complete guidance, party and administrative headquarters echelons, especially provincial party committee secretaries and provincial people's committee chairmen, developed their ability to successfully lead, supervise, and direct agencies, sectors, and forces in shifting from peacetime to wartime and to command the army and people in combat to protect the local area. Exercise reality initially clarified many problems in mechanism, setting a model example and defining organization functions, and especially clarified the relationship of the party leading, the administration directing, the military serving as a staff, and the commander exercising unified command of the local armed forces.

The exercises assisted in teaching the spirit of vigilance and combat readiness, and the active and positive nature of the entire party, people and army toward the task of building a national defense of all the people during the new revolutionary period; and affirmed the potential capabilities and great strength of our people in the undertaking to protect the fatherland. During the exercises, everyone, from key leaders and directors to party and administrative agencies and all the people, clearly recognized in a more total and profound manner their responsibility toward the national defense mission and the mission of coordinating the economy with national defense and national defense with security, which local areas have long failed to thoroughly achieve or to give complete concern. With a high sense of responsibility, provincial party committee secretaries and people's committee chairmen developed an active and creative nature, and dared to think in leading and directing the work. Agencies, sectors and mass organization made efforts to successfully achieve their function and mission in the exercises. Practical activities in the exercises assisted in effectively raising the levels of knowledge on national defense and the military, and the concept of revolutionary awareness of cadres, party members, the people and armed forces of the local area. Of importance was that the local army and people were able to clearly recognize their own strength and capabilities in achieving a mission of readiness to strike and defeat every plot and stratagem of aggression and sabotage of the enemy on any scale, joining with the people throughout the nation in firmly protecting the fatherland.

Another important result was that from the exercises, we experimented in and further perfected basic themes in the construction of defensive areas and discovered discrepancies that need to be overcome. The exercises realistically clarified what is possible and impossible in the theme, plan and methods of building a defensive area. Achievement of a new leadership mechanism; formulation of plans, creating sources, and organizing, training, and practicing economic mobilization for war; and the mission and operational course of administrative sectors were typified and experienced in reality. In coordination with the exercises, local areas promoted the strengthening of security and social order and safety, and gave greater attention to the mission of coordinating the economy with national defense.

Nevertheless, the exercises revealed shortcomings that must be overcome. Specifically, thorough understanding of the party resolution on the national defense mission in all echelons is not profound, and its institutionalization into party documents is still slow; there is still no organization aimed at developing the capabilities of state and local agencies, factories, and enterprises to participate in building a defensive area; and the theme, participating forces and methods of directing exercises must be continually perfected to increase the effective and practical nature and avoid waste.

Through the provincial and municipal area defense exercises, it is possible to present the following initial experience:

Further perfect the mechanism of the party leading, the administration directing, the military agency serving as a staff, and the military commander exercising unified command of local armed forces in the province.

First of all, it must be affirmed that, from summarizing the theory and practical experience of wartime leadership, building socialism and protecting the fatherland, the Political Bureau of the Party Central Committee has set forth a new mechanism to lead the strengthening of national defense. Tested by many provincial and municipal area defense exercises, this mechanism is entirely correct. To fully develop the effectiveness of the party's leadership mechanism in the task of strengthening national defense, continued study is necessary to gain effective experience.

Of importance is the need to clearly define the function, mission, theme and method of work of party headquarters (provincial party committee, standing committee and military party committee) echelons. Study to correctly define this problem has a direct and decisive effect on the actual leadership effectiveness of party committee echelons in the mission of building defensive areas in particular, and that of strengthening the national defense of all the people in the provincial and municipal areas in general. However, the exercises only concentrated study on the activities of local armed forces shifting gradually into a combat readiness state, and the shift of provinces

and cities from peacetime to wartime organization and leadership of the army and people in fighting to protect the local area. This is an extremely complex stage in a war to protect the fatherland that concerns the entire party and people. Reality has indicated that during this stage, party headquarters echelons are at first perplexed and fail to clearly define the function, mission and theme and methods of work.

First of all, *it is necessary to rationally organize meetings and consultations of provincial and municipal party committees and standing committees and military party committees.* In the exercises, at what point should locations still in doubt hold provincial and municipal party committee (standing committee) meetings? How many meetings must be held on what themes? Exercise reality has indicated that a provincial party committee need only meet one time to issue a resolution shifting the province or city from peacetime to wartime. During the process of war, the specific situation will determine whether the provincial party committee or standing committee issues a new resolution. In case the shift of a province to wartime is urgent, possibly only a standing committee meeting will be held to issue the resolution. A standing committee, military party committee or entire provincial party committee meeting must be determined by the specific theme and situation.

The theme and time of provincial party committee (standing committee) meetings must be extremely short and concise, concentrated on the leadership of vital and newly appearing tasks while avoiding repetition and mediocrity. Meetings held by the Haiphong and Kien Giang provincial party committees to issue resolutions on shifting their province from peacetime to wartime that had a carefully prepared theme, were concentrated on the issues requiring leadership, were closely connected with the mission and situation, and wasted little time are a good example.

The province's defensive determination approval must also be unified. Ordinarily, the province's defensive determination must be reported by the commander through the provincial military party committee. On the basis of ratification by the military region headquarters, the commander is responsible for reporting key issues in the defensive determination and the proposals necessary for the provincial party committee (standing committee) to discuss and decide the overall leadership issues of the province's entire party organization and people.

The exercises also indicated the necessity for supplementing and streamlining the organization of provincial and district military party committees aimed at firmly achieving the leadership mechanism of the party in building a defensive area.

The primary function of the provincial and municipal people's committee is to *handle every activity of administrations and agencies at all levels along with the people* aimed at implementing the resolutions of the provincial

and municipal party committees on building a defensive area and strengthening national defense in the local area. To develop the supervisory and management role of administrations at all levels, the chairmen and vice chairmen of provincial and district people's committees and those in charge of services and bureaus must first of all each have a rational mission assignment, with each in charge of an amount of work. During the recent exercises, due to preassigned organization, the direction of administrative work in many provinces and cities, such as Haiphong, Bac Thai, Quang Nam-Da Nang, Kien Giang, etc., was fairly harmonious and scientific.

The assignment of missions to provincial, municipal, ward and district chairmen and vice chairmen to direct each primary task such as: civil defense councils (or committees), military draft and mobilization councils (or committees), and rear services and material provision councils (or committees) can be a direction assignment relatively consistent with the functions of administrative echelons. However, an important aspect is firm coordination and united action between tasks and sectors (military and civilian) aimed at concentrating the capabilities of successfully resolving primary missions.

In the recent provincial and municipal exercises, one problem requiring concentrated study is the: *staff function of the military agency and commander exercising unified command of armed forces in the province and city.* Generally speaking, military agencies completed the mission but many weaknesses were revealed. To successfully complete its mission, the military agency must clearly understand its function as a staff for party committee and administrative echelons and sectors in both peacetime and wartime, and must firmly grasp the themes and issues requiring proposals and guidance for agencies and sectors to achieve. First of all, study must be concentrated on successfully performing a staff function in building the province and city into a strong defensive area and in coordinating the economy with national defense, as well as protecting production, protecting the people and mobilizing forces to serve in accordance with wartime requirements.

To complete the mission according to requirements of the new mechanism, the military cadres of provincial and district military agencies must *receive regular vocational and professional advanced training and study to raise their political, economic, social, etc. knowledge and standards in every aspect.*

Mobilization of reserves in the exercises was experimentally conducted but primarily reserve mobilization for the local armed forces. Mobilization results were relatively rapid with many units meeting and exceeding quantity levels, mobilization order transmission was swift, etc. Nevertheless, there were also many shortcomings: the concern given mobilization by local party committee and administrative echelons was not of the proper level, the quality of mobilized units was low, etc.

To successfully prepare and mobilize reserve forces for a defensive area, it is necessary to select an appropriate exercise theme and scale, primarily an exercise to mobilize reserves for the local armed forces. Every province must conduct good exercises to mobilize reserves for the local troops before shifting to exercises to mobilize reserves for the main force units. One province may be selected for an exercise with a profound theme in mobilization for main force units.

Mobilization exercises should only be held in those places where preparations are good (especially in key locations); without an overall exercise which is both expensive and cannot be really inspected. Surprise inspections may be conducted in a number of units to evaluate mobilization readiness levels.

To raise the perception standards and responsibility of party, administrative and military cadres, exercises in the mobilization of reserves must be closely connected with exercises of leaders, directors and mobilization command systems. On the other hand, the renovation of mobilization methods must be consistent with new conditions and attention given to the characteristics and mission of each local area (border, coast and interior), and of each type of force (local or main force troops) to define consistent working procedures and avoid being rigid and mechanical.

In the recent exercises, *problems of deployment, utilization and operational methods of local armed forces in the defensive area* were also discovered that still lack the conditions necessary for profound and total study. One of the questions raised was: can a defense organized by a province be called a defensive campaign organization? What kind of operation are the operational activities of the defensive area?

Surrounding the problems of *deploying and using local troop forces* are two tendencies: to deploy local troop forces in position defense like main forces; and to deploy them in small units coordinating with the militia and self-defense forces in organizing attacks on the enemy over a broad area. Neither of these two tendencies is correct. This problem requires a unified understanding; *local troops should not be deployed in position defense like main force troops and neither should they be scattered into small mobile units over a wide area*. The flexible and creative deployment and use of local troops in keeping with their natural capabilities and mission must be based on the operational objective and mission of each defensive area (border, coast, etc.). Local troops may be deployed and used: *with sufficiently strong forces to defend and hold key defensive areas to halt, wear down and annihilate the enemy while simultaneously having mobile forces to attack the enemy*.

The *operational methods of local armed forces in the defensive area*, may be understood and applied along a unified course of maintaining close contact with the location, hamlet, village and streets for combat, holding

the key areas, maintaining control and attacking, preventing enemy occupation, striking the enemy over a broad area, and coordinating with main force corps [binh doan] and neighboring provinces to defeat the enemy war of aggression.

The area defense exercises indicated that responsible agencies of the Ministry of National Defense, military regions and cadres must urgently guide, supplement and unify rules and procedures in maintaining records for military agencies and administrative sectors.

Preparation and implementation of the recent provincial and municipal area defense exercises is a new development both in training methods and training themes and objectives and in methods of implementation. Exercise reality initially produced experience on the following aspects:

—*Exercise preparation must be complete and total.* When preparing for an exercise, the supervising detachment must clearly understand the intentions of higher echelons, and directly report to, hold discussions with and reach agreement with the provincial party committee secretary and provincial people's committee chairman on the objective, theme, methods and forces participating in the exercise. The exercise theme must be effective, closely connected with the actual situation of the local area, and have enough factors to train all three party, administrative and military systems; avoid overlapping and formalism; and assist in maintaining political security, order and social safety and ensuring production and economic development.

Supervisory detachments and directors must be well-trained in the basic theory, intentions, themes and methods of conducting an exercise. Direction organization must be concise with suitable numbers and sufficient dynamism to follow the primary exercise forces of provincial and district echelons.

Prior to an exercise, good training must be organized at the basic level with coordination of general training for each group. Military agencies must periodically train from the key village to the district and provincial levels. Party and administrative agencies will organize training in a flexible manner, without pressure and consistent with the work characteristics of each sector.

—*Provincial and municipal area defense exercises must be directly supervised by military region headquarters in firm coordination with provincial and municipal party committee and administrative echelons and with the participation and assistance of ministries and sectors in the central government.* In the exercise guidance committee, besides key members of the military region headquarters, there must be provincial party committee (or municipal party committee) secretaries and provincial (or municipal) people's committee chairmen. These individuals will both participate in

the guidance committee and take direct part in the exercise in their particular post. This is something new, aimed at developing autonomy and creativity and developing high unanimity.

—*Methods of conducting an exercise must be flexible, effective and consistent with the conditions of each local area.* The area defense exercises of provinces and cities demand exercising of all leaders and commanders of the three party, administrative and military systems; and simultaneously must have all the regular troops (mobilizing the reserves, waging war, mobilizing equipment, fire fighting and rescue units, etc.). In exercises at any level, every component must inspect and evaluate the results; avoiding a situation in which an exercising individual continues to exercise without inspection or evaluation as has occurred in a number of local areas. However, an exercise theme must be effectively selected for each component without formalism or pretentiousness. Best of all is exercise in place and only when truly necessary and the conditions permit, to conduct transit and mobile exercises.

Military agencies, exercising at any level, must have the direction of that echelon; and party and administrative sections and sectors should strive to have cadres of the same sector from a higher echelon directing the lower level, such as sections of the central government directing sections of the provincial party committee, state ministries directing provincial services, and provincial services directing district corporations and sectors.

The organization of defensive area united action has its own characteristics, not resembling those of coordination between main force troop units. Actual practice has indicated the need for organizing united action in two steps. The first step, united action between units of the local armed forces, must give attention to military and self-defense units in villages and on key islands. The second step is united action between party and administrative sections and sectors. The thing requiring attention is that units of the armed forces actively conduct united action with administrative sectors.

In the near future, we will continually to thoroughly study and substantiate the resolutions of the party on a policy of national defense of all the people, and a policy of people's war, building the provinces and cities into strong defensive areas. On the basis of experience gained through the recent exercises, we will continue to exercise remaining provinces and cities with requirements for achieving better, more effective and less expensive results. The coming exercises will also be aimed at **primarily a new mechanism experiment** and at perfecting and building into a procedure the achievement of party leadership, administrative direction and section and sector operation. At the same time, continued more profound and complete study will be conducted of defensive area construction themes.

To develop the effectiveness of the leadership mechanism and create conditions for echelons to successfully organize and achieve the mission of building provinces and cities into strong defensive areas, we wish to submit the following proposals:

1. The Secretariat, Council of Ministers, ministries and sectors should soon promulgate decrees, directives and regulations for all echelons in accordance with a vertical organization system in mission, construction theme and area defense exercise.
2. The State Planning Commission should soon have a general plan in mission, norms, budget and materials for ministries and general departments, and guidance in stipulating the level of local area budget investment for building a defensive area.
3. The State Planning Commission should join the Ministry of Defense in vocational guidance for ministries, sections and sectors in formulating plans to ensure construction of defensive areas.
4. During the process of provincial and municipal area defense exercises, it is necessary to have specific guidance and to follow, assist and extract the experience of the Secretariat, Council of Ministers, State Planning Commission and ministries, sections and sectors of the central government.
5. The Ministry of National Defense is responsible for organizing advanced training and practice in military knowledge for the leadership cadres of ministries, sections and sectors of the central government; with periodic exchange of information and supply of essential factors to ministries, sections and sectors of the central government in the mission of strengthening national defense in the new revolutionary period of our country.

Lt Gen Doan Khue on 40th Anniversary of Lao People's Army

42090248 Hanoi TAP CHI QUOC PHONG TOAN
DAN in Vietnamese Jan 89 pp 27-32

[Article by Senior Lieutenant General Doan Khue: "The 40th Anniversary of the Lao People's Army (20 January 1949 - 20 January 1989): 40 Years of Combat Resoluteness, Self-Reliance, Creativity and Loyal Solidarity"]

[Text] The date of 20 January 1989 is a great holiday for the army and people of Laos who are celebrating the 40th anniversary of the founding of the heroic Lao People's Army. On the occasion of this important and glorious day, we warmly congratulate the fraternal Lao People's Army, the loyally resolute and proud combat partner of our army and people. The cadres and men of our people's armed forces constantly and humbly study valuable experience gained from the revolutionary struggle of the army and people of Laos, strive to consolidate and strengthen the inseparable combat solidarity

between the army and people of the two nations, and wholeheartedly support and assist each other in successfully completing the revolutionary mission of each country during the new period.

In the combat, liberation and national construction epic of the Lao people, the Lao People's Army has experienced a stretch of history filled with 40 years of extremely courageous struggle, joining the entire people to simultaneously fight, mature and win extremely glorious victories under conditions of extreme difficulty and hardship filled with drastic challenges. It was also a process of cadres and soldiers upholding the symbolic qualities of revolutionary heroism, self-reliance, creative independence, and loyal solidarity of the new style army.

In the people's struggle movement during the days of uprising to win political power in August 1945, the Lao revolutionary armed forces were established from the political forces of the masses, armed propaganda groups, guerrilla teams, and self-defense forces. Even during the first stage of the war of resistance against the French colonialists, revolutionary armed organizations formed in many locations to join the people of tribes in each local area in resolutely waging a resistance war against the invading troops.

On 20 January 1949, the Issara Army (now the Lao People's Army) was officially declared formed in the Latxavong unit, marking a new and extremely important development in the war of resistance for national salvation.

Born and raised in the revolutionary struggle movement of the people, sacrificing in combat for the interests of the people, and nurtured, helped and protected by the people, the Lao People's Army has continuously fought, become tempered, and matured under the direct, absolute, and total leadership of the Lao Revolutionary People's Party. The revolutionary essence and people's nature as well as the invincible strength of the Lao People's Army first of all originates from that foundation.

Laos is a country of nearly 3 million people comprised of many tribes, with an impoverished and backward economy. An extremely difficult problem never resolved in previous history is how to organize and build the revolutionary armed forces needed to defeat modern invaders. The Lao Revolutionary People's Party successfully solved this problem. The victories of the Lao revolution during nearly the past half century have first of all originated from the correct and extremely creative line of the Lao Revolutionary People's Party. By itself, the formation, existence, and development of the Lao revolutionary armed forces is a symbol of that unique creativity. The Lao People's Army is the one implementing extreme creativity to create the political and military line of the party, and joining the people to win increasingly greater victory.

Accurately evaluating the characteristics, objectives and mission of the Lao revolution within the general trend of the three-nation Indochinese revolution during each period, the Lao Revolutionary People's Party set forth correct political policy and revolutionary methods, constructed a strong solidarity of all the people on the basis of the worker-peasant alliance, firmly coordinated military struggle with political struggle, creatively applied the patterns of revolutionary war and mass armed uprising, and created a composite strength to wage war and liberate the country. It is on this very basis that the Lao People's Army has always thoroughly and correctly understood combat objectives, force construction and organization principles, and attack strategy ideology, and has set forth formulas for waging war and military arts consistent with the specific conditions of each revolutionary period.

Under the banner of correct leadership of the Lao Revolutionary People's Party, relying on the strength of national solidarity, and with the wholehearted assistance and combat solidarity of the people and voluntary troops of Vietnam, the Issara units and later the Lao People's Liberation Army simultaneously engaged in combat and force development, positively attacked the enemy on the battlefields, and actively mobilized and organized the people in base construction. From small attacks, guerrilla raids and sweep resistance, the Lao revolutionary armed units gradually advanced with Vietnamese voluntary troops to deal the enemy many heavy defeats.

Through several continuous decades of confronting invaders with many times the number of troops and more modern weapons and equipment, group after group of cadres and men in the Lao People's Army, no matter where or under what situation or form of struggle, constantly upheld a combat will and revolutionary heroism.

Under extremely arduous and impoverished conditions, the cadres and men of the Lao People's Army have constantly maintained their confidence and upheld their vigilance and readiness to give their lives for the interests of the people and the revolution. We still remember well the glorious historic exploits of the Lao People's Army. The 2nd Battalion entered the capital while it was still under enemy occupation, smashed a bribery plot and the enemy's encirclement, and skillfully withdrew to base to continue the war. A protection company stood firmly for 10 years in the middle of Vientiane during the period in which it was still an enemy lair. Lao People's Liberation Army units carried out an assignment in the two neutral cities of Vientiane and Luang Prabang. The cadres and soldiers of the Lao People's Army have fine revolutionary qualities and are trusted, loved, admired and respected by the Lao people.

Creatively applying the revolutionary methods of the Lao Revolutionary People's Party to the field of armed struggle, inheriting and developing the combat traditions of the nation, and studying the combat experience of

fraternal countries, the Lao People's Army has forged itself a talented and unique military art. It is the art of using few to strike many and the weak to defeat the strong, using rudimentary and outmoded equipment to defeat a modernly equipped invader and an ideology of actively and positively attacking the enemy both militarily and politically, coordinating guerrilla raids and concentrated attacks, coordinating small, medium and large-scale tactics, and creating a strongly developed people's combat disposition throughout the country. We could relate the splendid victories of the Lao People's Liberation Army in coordination with Vietnamese liberation troops in the 1953-1954 Winter-Spring fighting in upper, middle and lower Laos; the Plaine des Jarres-Xieng Khoang campaign (1961), the Luong Nam Tha victory (1962), the Nam Bac victory (1968), the campaign to smash the "Cu Kiet" operation of more than 50 battalions of Vang Pao bandit forces and Thai troops (1970), the Route 9-Southern Laos campaign (1971), etc. In battles to protect the border of the fatherland during recent years at Ba Ban and Nabonoi, new developments have occurred in the fighting methods of the Lao People's Army. They have been bold and resolute strikes certain of victory, clearly expressing the independent spirit, self-reliance and great creative capability of a revolutionary army tempered with combat experience.

Since the beginning, the Lao Revolutionary People's Party has steadfastly educated the armed forces to clearly recognize the great capabilities of the Lao revolution, rely on the people, have confidence in their own strength, and highly develop their own subjective effort to create the composite and invincible strength of a national and comprehensive people's war. Profoundly imbued with that viewpoint in their practical activities, the Lao revolutionary armed forces are both a primary implement for waging armed struggle and annihilating the enemy and an assault force in mobilizing and awakening the masses, building a political base, launching a people's war in each local areas, supporting the masses in regions beginning to struggle, and serving as a source of strength for the masses rising to win control of their homes and villages and creating favorable conditions for advancement to win control throughout the country.

It was on this very basis that during the final period of the liberation revolution, the Lao People's Liberation Army achieved great success in a general uprising of all the people with three strategic blows during a short period of time (from May to December 1975), relying on their own strength to totally paralyze enemy resistance while still extremely strong, and returning total political control to the people. This may be called the pinnacle of resistance war supervision art with the creative coordination of political and military struggle and of revolutionary war and mass uprising. In this strategic attack, the Lao People's Liberation Army clearly revealed high, extremely flexible and sensitive organizational standards in mobilizing and coordinating various forms of struggle, swiftly occupying vital positions in the large cities and enemy command centers, creating powerful military

pressure to competently support the uprising masses, attracting many enemy units to revolt, defect, and follow the struggle movement of the masses, and completing the glorious mission.

During the past 30 years, joining the people to achieve two strategic missions: protection of the fatherland and construction of an advanced socialist nation, the cadres and men of the Lao People's Army have self-reliantly risen and overcome every difficulty with extraordinary effort. Internal reactionaries planted by the enemy's "postwar" plan and in contact with, supported and supervised by old and new enemy influences on the outside, have reared their heads and made every effort to commit sabotage and wage a "house termite" strategy with forms of peaceful evolution, sudden rebellion and subversion in an attempt to extort the young republic. However, many rebellions have been smashed and many plots of military activity, provocation and border encroachment from the west as well as the north have been halted. The victories achieved in the war to protect the border as well as those on the security front against internal reactionaries have assisted to maintain and strengthen the security, independence and sovereignty of the nation. This great practice affirms the correctness of the revolutionary, independent, autonomous and creative policy of the Lao Revolutionary People's Party, and affirms the important political role, position and mission of the Lao revolutionary armed forces in the socialist revolution.

To achieve the political mission set forth by the Lao Revolutionary People's Party Congress for the new revolutionary period, the Lao people's armed forces are joining sectors and local areas in efforts to successfully coordinate the economy with national defense and national defense with security within each local area as well as throughout the country. Summarizing and applying their extremely rich experience to this phase of the revolution, the cadres and men of the Lao People's Army maintain a constant, profound and thorough understanding of the viewpoint of people's war and the policy of a comprehensive, national and allied national defense, emphasizing construction of the armed forces—comprising main force troops, local troops and self-defense guerrillas—to create a composite strength of the armed forces and people in the undertaking to protect the fatherland. The Lao people's armed forces constantly emphasize construction of strength, both political, ideological and organizational, with sufficient numbers and high quality, take construction of quality as the primary aspect, enthusiastically carry out a combat and combat readiness mission, and simultaneously actively and directly participate in building the local political base while making an important contribution in protecting and building the fatherland.

Through 40 years of resolute combat sacrifice for the independence and freedom of the fatherland and also 40 years of shining combat exploits, the Lao People's Army

is extremely qualified to be the sharp and dependable tool of the party and state, and to have the confidence, love and pride of the heroic Lao people.

The combat process, growth and glorious victories of the Lao People's Army throughout the past 40 years are a concentrated expression of the combat nature and strength of the Vietnamese-Lao special alliance and the Vietnamese-Lao-Cambodian special alliance because, the revolution of Vietnam and that of Laos as well as that of the three nations of Vietnam, Laos and Cambodia all have a close-knit relationship. The Vietnamese-Lao-Cambodian special alliance is one of the glorious patterns of the revolution of each nation as well as all three.

Under the correct leadership of the Vietnam Communist Party and the Lao Revolutionary People's Party, the people of the two countries and the cadres and men of the two armies of Vietnam and Laos are unceasingly educated and imbued with an international proletarian spirit, wholeheartedly support and assist each other, stand shoulder to shoulder with each other, and join in combat sacrifice for overall victory of the revolution of the two peoples. From the very first days of combat, under extremely difficult and arduous conditions, soldiers of the Vietnamese voluntary army and those of the Issara Army shared the food and clothing of each other, exchanged experience, and fought in the trenches to resist the common enemy. The support in every aspect of our army and people has provided additional political—spiritual and material—strength to the army and people of Laos to become stronger and win more victories the more they attacked. Conversely, extremely basic and favorable conditions were created for the protracted resistance war for national salvation of our people to win total victory and to make a significant contribution to the overall victory of the people in the three countries in completely defeating the aggressive war of every enemy.

Clearly recognizing the national liberation struggle and placement of their country on the road of socialism as a close part of the revolutionary movement of the era, the Lao people and people's armed forces constantly give attention to strengthening their solidarity with the army and people of fraternal socialist countries in a spirit of proletarian international solidarity. On every stretch of the revolution's development, the Lao people's armed forces have unceasingly received the strong spiritual support and effective material assistance of Vietnam, the Soviet Union and other fraternal socialist nations. With a thorough understanding of an ideology of self-reliance, the cadres and men of the Lao People's Army are striving to accept and highly develop the results of great international support and assistance from fraternal socialist countries in the task of protecting and building the nation.

Beginning the new period of the revolution, with a clear recognition of the plots of international reactionary influences and enemies against the socialist revolution in Laos and Vietnam—who are seeking every means to divide and destroy the Lao-Vietnamese special alliance

and Lao-Vietnamese-Cambodian combat alliance in an attempt to weaken the revolution of each country—the army and people of Laos are constantly and alertly smashing each of their crafty stratagems and methods, more firmly consolidating and strengthening the Lao-Vietnamese special alliance and Lao-Vietnamese-Cambodian combat alliance and the strategic alliance of the three nations of Indochina with the Soviet Union and the socialist community.

To the cadres and men of our people's armed forces, the Vietnamese-Lao special combat alliance as well as the Vietnamese-Lao-Cambodian special alliance are constantly an important factor of decisive significance in the victory of the Vietnamese revolution both in the previous democratic national revolution as well as the present task of building and protecting the socialist fatherland. Our army and people have shed their blood in building this special alliance and we are determined to maintain and protect it as we would the pupils of our eyes.

Today, each country's task of national construction and protection is undergoing many upheavals and the international and area situations also have many complex occurrences, demanding a greater renovation, consolidation and development in the strength and effectiveness of the Vietnamese-Lao-Cambodian special alliance. We must examine, on the basis of the relationship of solidarity, support and total cooperation between the two fraternal socialist countries, elevation of the role and position of the Vietnamese-Lao special alliance to a new stature, giving it a truly new development in substance. To accomplish this, it is necessary to thoroughly review our experience in solidarity with and assisting the friends, and resolutely overcome the mistakes and shortcomings expressed in the ideology of a large nation with narrow-minded people, and the parochial, superficial and unilateral viewpoints in alliance relations with the friends. Our people's armed forces are determined to shore up the eternally strong, unshakable and loyal solidarity between the army and people of the two nations of Vietnam and Laos.

On this glorious 20 January holiday of the army and people of Laos, our people and our armed forces sincerely express their gratitude to the fraternal army and people of Laos who have stood staunchly and loyally shoulder to shoulder in combat with us throughout the past more than 40 years, and are joining us in vigilance and combat readiness to firmly protect fruits won by the revolution.

Lt Gen Hiep Interviewed on Army Welfare
42090246 Hanoi QUAN DOI NHAN DAN in
Vietnamese 17 Mar 89 pp 1, 4

[Interview with Senior Lieutenant General Dang Vu Hiep, Deputy Director of the Political General Department, by QUAN DOI NHAN DAN correspondent: "Some Problems on the Welfare Situation in the Army Rear Area"; date, place, and occasion not given]

[Text] [Correspondent] Sir, recently in many conferences and in the mass communications media, many views on welfare policy concerning the army and the army rear

area have been presented. Would you tell us the effect of this field of work on the army mission?

[Dang Vu Hiep] It seems there was a time in which not a few of us held an incomplete and inaccurate concept on a policy of encouragement, stimulation, and incentive with spiritual and material compensation: considering it a secondary aspect of work with any amount accomplished good enough. Recently however, the role of welfare policy work has received fairly strong attention in many forums with many views posing suitable issues. On the other hand, there are also those who say that during the present situation, while ideological work is idealist and voluntary, welfare work is justified with reason and feeling; welfare is a foremost and most effective measure.

I think that every manifestation decreasing, underestimating, or excessively exaggerating the role of welfare policy work is incorrect.

Welfare policy expresses the political viewpoint and attitude of the party toward each revolutionary mission and objective. It guides the perceptions and actions and serves as a standard for every organization and member of society to follow. Welfare policy assists in ensuring achievement of the overall mission while simultaneously satisfying the legitimate interests and aspirations of the masses. It is a lever for achieving the mission, and encouraging, stimulating, and motivating the revolutionary enthusiasm of the masses. Practice has shown that during each specific phase of the revolution, if welfare policy is lacking, inconsistent, or untimely, despite a correct line and good ideological and organizational work, there is a lack of the factors and important conditions needed for rousing and fully developing the strength of the masses. Under the same circumstances, implementation of different policies will produce different work results.

The welfare policy for the army and army rear area is an important part of the overall welfare policy system of the party and state. It is a human policy, assisting to create a motive force developing human factors in the task of constructing and strengthening national defense and protecting the socialist fatherland. Along with ideological, organizational, and other tasks, welfare policy work is considered an indispensable part of the work of strengthening the national defense and raising the composite strength of the army; especially during the present situation with everyone being urged to develop a creative potential to develop production, enrich himself, and enrich the nation.

Nevertheless, it must be agreed that welfare policy work must be constantly and firmly coordinated with ideological and organizational work, cannot be considered the foremost task and increasingly cannot be conceived as a unique "valuable" able to replace other tasks. A concept of "voluntarism" as well as that of "mediocre materialism" must be overcome.

[Correspondent] Would you give us a few major features on achievement of welfare policy work since the Sixth Party Congress?

[Dang Vu Hiep] During the past 2 years, the socioeconomic situation of the country has continued to be difficult and arduous. The economic management mechanism in state-operated economic components has had changes, many fluctuations in price, wages, and money, etc., directly affecting organization and achievement of welfare policy relating to the army and the army rear area.

Even so, with a thorough understanding of the concept, course, and basic principles of welfare policy defined in the resolution of the Sixth Party Congress and the resolutions of the Party Central Committee and Political Bureau, military units have received assistance and coordination from state sectors and local party committee and administrative echelons, great efforts have been made in implementing welfare policy work in the army and army rear area, and a number of good results have been achieved. Prominent among these are:

- Revising and supplementing a number of critical policies and systems aimed at gradually ensuring that difficulties in the lives of the troops are alleviated; stimulating a number of technical specialist components and units engaged in combat and combat readiness missions on the border and distant islands and in an international mission.
- Concentrating a large amount of revenue and materials and strengthening supervision and organization in implementing the welfare policy for a large number of retired cadres, demobilized military personnel, and retired national defense workers and civil servants; for war invalids and seriously ill patients undergoing treatment in military hospitals and convalescent groups of the army; resolving a large number of problems in postwar welfare policy (such as assembling the graves of soldiers who died on the battlefield, handling a number of awards stagnated after the resistance against America, etc.)
- Advising the Secretariat and Council of Ministers to advocate and promote implementation of army rear area welfare policy. Coordinating with sectors and local areas to initially create an active change in the movement to execute army rear area policy in the new situation. Implementing Directive 46/CT of the Secretariat, a number of military region and provincial party committees have issued specialized subject resolutions on executing army rear area welfare policy. Based on Resolution 10 of the Political Bureau on renovating the economic management mechanism in agriculture, a number of localities such as Ha Bac, Hai Hung, Thai Binh, Ha Son Binh, Ha Nam Ninh, etc., have established social assistance funds or national defense surcharge funds aimed at assisting implementation of welfare policy for the families of war dead,

war invalids, etc. Many localities have given priority to employment and selection for international labor cooperation for the sons of war dead and war invalids and for military personnel who have completed their service in the ranks and returned to the local area.

However, study suggests that welfare policy and supervision of welfare policy for the army and army rear area still fail to meet newly developing requirements of the army's construction and combat mission and of the army rear area situation. Many compensation systems and policies conducted for many years have not been basically revised; and supplementation still has an uncoordinated nature, only partially answering critical problems in dealing with each specific and immediate requirement. On the other hand, with the current welfare policies on ensuring the living standards of the troops and the rights of welfare policy recipients, in many echelons, sectors, local areas, and military units, execution is incomplete and lacking in thoroughness. The lives of the troops, especially those on missions in distant and remote locations, still have a great many difficulties; and the families of war dead, war invalids, etc., especially in regions of many welfare policy recipients, have economic difficulties not receiving the proper level of concern. Implementation of welfare policy for retired cadres and demobilized military personnel still has occurrences of unfairness and unevenness in military units, and have not yet received concern from the party committee and administrative echelons of many local areas. Many local military agencies are still confused or have not clearly recognized their responsibility as a staff assisting the local party committee and administrative echelon in implementing army rear area welfare policy. This situation has adversely affected efforts to raise the combat strength of the army and strengthen the army rear area, and the mission to strengthen national defense and protect the fatherland.

[Correspondent] What is the course and mission of welfare policy for the army and army rear area in the years to come?

[Dang Vu Hiep] The mission of welfare policy work for the army and army rear area in the years to come is still extremely large: simultaneously and promptly meeting new requirements in the task of building the army and strengthening national defense in the new period; and swiftly, neatly, and thoroughly resolving the consequences of decades of war that exist in extremely large numbers and are of a complex nature and under difficult conditions. Organization and achievement of welfare policy in all echelons and sectors must be made a procedure.

Research is a primary theme of the 1989 welfare policy task that will be set forth in a relatively fundamental and complete manner. A complete reexamination will be conducted of current welfare policies and systems. On that basis, coordination will be made with related agencies inside and outside the army in a study to suggest

revision and supplementation consistent with the mission characteristics of the armed forces aimed at actively responding to the task of building the army and strengthening national defense in the new situation (such as improving the wage structure and revising a number of allowance systems; a number of welfare policies for forces engaged in a frontline mission and vital technical specialist elements; policies of a social insurance type; and policies ensuring the mission of building the mobilized reserve forces; and substantiating and systematizing a number of welfare policies for the army rear area).

Supervising and organizing implementation of current welfare policy themes is a regular mission of all echelons and sectors. The large number of retired cadres, national defense personnel, workers and public servants, and the large volume of problems from policies existing after many years of war demand that party committee echelons and commanders at all levels concentrate supervision on strengthening budget, material, equipment and force capabilities.

The efforts of the army, although extremely important, are still only one link. Implementation of welfare policy for the army and army rear area is always the work of all echelons, sectors, local areas and people. Therefore, complete and thorough implementation requires the firm leadership and direction of party committees and administrations at all levels, and rhythmic coordination between agencies, sectors and mass organizations.

[Correspondent] In your opinion, to successfully achieve the mission of welfare policy work in the new situation, what problems require attention?

[Dang Vu Hiep] To successfully achieve the mission of welfare policy work, it is necessary in our opinion to firmly grasp and properly apply the experience gained from practice in implementing welfare policy work during the past several years.

—*First of all, the mission of welfare policy work must be correctly understood and defined.* It is a specific expression of the party line to build the armed forces. Along with ideological and organizational work, welfare policy work in the army assists in ensuring completion of every political mission of the army. Welfare policy work is under the leadership of the party committee and the achievement supervision and organization of commanders at all echelons to ensure strict compliance. Everyone must be caused to clearly recognize his mutual affection, obligation, principles, responsibilities and duties toward welfare policy recipients to attain the highest effectiveness in implementation.

—*Second, in the study to present and direct policy resolution, it is necessary on one hand to examine the legitimate requirements of welfare policy recipients; and on the other hand to base policy on the economic and financial capabilities of the nation.* Close contact must be maintained with the activities of troops in

each specific field, mission and service element; with a detailed and thorough understanding of the lives of welfare policy recipients and a timely grasp of the effects of socioeconomic policies to attain an accurate reflection; and to simultaneously use the economic and financial conditions of the nation as a basis for study to present consistent welfare policy themes. Meeting the requirements of the army mission is an objective but the economic development level of the country limits the allowable material conditions of welfare policy themes. While a great distance still exists between economic conditions and requirements, policy resolution must know how to concentrate on the crucial and vital segments. The view must be unified that: social equality is not synonymous with level and average.

—Third, it is necessary to thoroughly understand the concept of "the state and the people working together" and "upper and lower echelons concerned together" to develop a spirit of responsibility and exploit the potential of all echelons, sectors and local areas. Occurrences of inflexibility, passiveness and waiting and depending on the assurance of upper echelons must be overcome. Experience clearly indicates that in any location developing a spirit of self-reliance and self-strength and knowing how to develop the potential of the masses in organizing and implementing welfare policy, resolution of the spiritual and material interests of welfare policy recipients are completely and promptly resolved, and through that, a spirit of overall enthusiasm is motivated, consolidating internal solidarity and strengthening close attachment with the units. —Fourth, achieve democracy, openness and fairness in the organization and achievement of welfare policy. The masses are both the recipients of welfare policy and the subjects directly achieving, supervising and inspecting policy implementation. They must be regularly caused to have a detailed and thorough understanding of welfare policy. Democracy and openness are aimed at preventing and resisting occurrences of negativism and special privilege. In democracy and openness, the masses must also be given a clear understanding of the difficulties of the nation and the designation of fixed limitations to welfare policy.

Welfare policy is an extremely specific expression of fairness. The masses constantly recognize fairness through welfare policy themes and organization and achievement of welfare policy at all levels. Proper achievement of democracy, openness and fairness will assist in successfully resolving the relationship between ideology, organization and policy.

Consensus on Army Units Doing Economic Work
42090240 Hanoi QUAN DOI NHAN DAN in
Vietnamese 21 Apr 89 p 3

[Article by Pham Kieu: "The Army Doing Economic Work, a 10-Year-Old Question"]

[Text] Is the army capable of doing economic work? That is a major question that has brought about quite a few

different answers in the last 10 years. The people who are in charge of monitoring work, coordinated research, and leadership at the high level have two kinds of opposite opinions. The people who are directly in charge of command and leadership in army units also have two kinds of opposite opinions. These are the people who think the army either cannot or can do such a work.

The first opinion asserts that troops cannot do economic work because of these reasons: The troops who are to do the work in this case are those who are fulfilling their military obligation and do not have the vocational and technical skills needed to do it; if they undergo urgent training in order to do it, they still will be unable to respond to the need (after their training they may do the work for a while but will be called back and sent to combat duty again), and if their labor is used only in the "get water from the river, labor from soldiers" manner, they cannot be considered economic workers. On the other hand, to do economic work requires economic accounting and must be a profitable undertaking, but the commanding officers of the units that are assigned economic work are those who have revolutionary enthusiasm but no knowledge of economic management, nor the necessary scientific and technical skills for the job. On the basis of these two fundamental reasons, the first opinion offers this conclusion: The army can only take care of "production aimed at improving the standard of living."

The second opinion: The army can do economic work. This is the kind of opinion that is supported by many correct arguments and recognizes the problem in a serious and scientific manner. In the units that directly do economic work, this kind of opinion gradually gets the support of more and more people because the reality there has provided an answer.

In the 10 years since Resolution 30 of the Political Bureau (5th term) was adopted, we have found that the army can do economic work and that a positive fact has shown that it can even do the work effectively. We can prove this by citing the case of the 3rd Military Region's 319th Division.

The division, originally an infantry division, was assigned the task of building in the Pha Lai thermoelectric power project and other civilian projects in different areas in the 3rd Military Region provinces and in the capital city of Hanoi. It went through stages of growth: It went from the state-subsidies system to the system of economic accounting, and from being undecided and confused to being fully experienced in work operations and management. In 9 years, it succeeded in training over 7,000 young building workers. These troops also were sent to combat duty in rotation. It is certain that almost all of them are now taking part in building tasks somewhere in state and civilian projects, and that they do not forget where they were trained, where they acquired both quality and skills, during the period they were fulfilling their military obligation.

We went to the Pha Lai thermoelectric power plant, where the division had been responsible for 40 percent of the volume of the project work. Ta Duc Hien, the plant's deputy director in charge of capital construction, said to us in a positive manner: "All of the building projects that the 319th Division had been assigned to complete have held up very well in terms of quality. At the present time, in regard to building a new housing section for our workers and expanding our plant, we are ready to sign a contract with the 319th Division." Better than any argument, that was a confirmation of the technical capacity of side B made by side A. Building Vice Minister Le Van Sang also affirmed it in these words: "The projects that the 319th Division was assigned to carry out were very important and complicated. Had we not had its participation, the progress made in the Pha Lai thermoelectric power project would certainly have not been as great as you see it today." And up to these days, the division has been carrying out 21 civilian projects in the urban wards of Hanoi, including the headquarters of the daily newspaper NHAN DAN, the Red Scarf Hotel, the theater, and so on.

The cadres of the 565th Division whom we met at the work site of the Hoa Binh hydroelectric power plant and the cadres of Truong Son Corps whom we talked to all shared the opinion of the cadres of the 319th Division: The army can do economic work. This favorable opinion results from the fact that the people in the ranks of those who do economic work have good managerial, technical, and political capabilities; that their units grow stronger because they both do economic work and remain ready to be turned again into combat units; and that, finally, they find an "exit," the lack of which has kept us in a state of confusion for quite some time.

Military Units' First Step in Solving Unreasonable Land Occupation

42090256a Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 19 Apr 88 p 2

[Article by Hong Son: "Military Units Initially Solve Irrational Use of Land"]

[Text] Walking along the streets in the Saigon-Cho Lon-Gia Dinh area, we see many military posts. Virtually all have been there for decades, built by the former regime (e.g., the Ministry of National Defense, the General Staff, headquarters of military branches, military industrial factories) to support the war. These posts occupy a relatively large area within the city and are concentrated extensively in Precinct 10, Tan Binh, Phu Nhuan, and Go Vap. The large streets with many posts are Route 3.2 (from the six-way intersection of the August Revolution to Ly Thuong Kiet), Nguyen Kiem Street (Phu Nhuan) which connects with Nguyen Oanh (Go Vap), To Hien Thanh and Nguyen Tri Phuong Streets (Precinct 10), etc. In Go Vap Precinct, an expanse of 1,700 hectares, the land lying in the military

sector is 283 hectares. In Precinct 10, the area of land in the military sector is 1,368,500 square meters out of a total of 5,643,000 square meters.

After the military victory of 30 April 1975, the revolutionary military units took over these posts; these were units directly subordinate to the Ministry of National Defense, Military Region 7, and the Municipal Military Headquarters. Fourteen years ago the aforementioned storage facilities and posts were not maintained or repaired well and were thus seriously deteriorated and many had to be torn down and abandoned. This situation exists because management units do not have enough expenditures for repair and also do not use all of these huge installations. The troop strength of many units has fallen to 60 to 70 percent, but still the management of the area of buildings and the land surrounding the post has not changed and has become irrational in use, such as: transportation unit 476, which manages 18,000 square meters; the 34th Battalion, Rear Services Department, Air Force Headquarters, which manages 75,000 square meters; the 38th Battalion, Technical General Department, which manages 24,000 square meters; Z73, which manages 91,000 square meters, all located in the area of Subward 12, Precinct 10. The area of the Navy Headquarters for the former regime was located at Bach Dang pier, an area of several hundreds of thousands of square meters with many well-built buildings now used only as the Navy Headquarters in the South. Many large guest houses managed by the army also receive few patrons.

Fences Have Opened!

In 1 year, some units stationed in the area of the municipality have made changes in coordinating national defense construction with economic construction with a view toward exploiting the capabilities of the area where troops are stationed, contributing to reducing national defense expenditures, and improving the life of the troops.

Many militarily inactive areas are disarming mines and dismantling fences such as the areas of Quang Trung in Hoc Mon and the area to the west of Tan Son Nhat airfield. A number of units have used their space to carry on production and business, such as Enterprise X28 which is building a cultural building for workers and a sewing shop to serve servicemen and people, and Military Medicine Institute 175 with skilled ranks of physicians and wide space on Nguyen Kiem Street which has opened examination and treatment rooms for the people. Other army units are conducting joint ventures and associating with private units to produce and carry on business. The Wilhelm Pich Technical Officers School is associating with the Go Vap Precinct State Machine Enterprise in the Automobile Repair Enterprise and Factory Z755 is conducting a joint venture with the Saigon Electronic Factory to open a repair shop and introduce electronic goods.

Management units have associated with a number of installations to repair and upgrade a number of buildings located in a convenient area for travel service. The guest house at 311 Nguyen Van Troi Street usually had only 30 percent of the rooms in use before. Now Military Region 7 has a joint venture with Cosevina to upgrade, repair, and re-equip 40 rooms and shops with a view to supporting overseas Vietnamese families visiting their homeland. Military Region 7 is also, together with Phu Nhuan Precinct, repairing approximately 2,000 square meters of seriously degraded rows of houses on Hoang Van Thu Street to serve as a travel hotel.

Alongside work on their own and joint ventures and associations, army units have also gradually returned surplus land and vacant land to the localities for use. Factory Z751 has turned over to Go Vap Precinct an area of land on Nguyen Oanh Street to build the precinct's commercial and service area; turned over 40 hectares of land at the former base 26 to the Industrial Service to build an industrial area. The Municipal Military Headquarters is turning over approximately 2,000 square meters of land at 155 To Hien Thanh Street to the Home Development Corporation in order to build 147 apartments.

How Much of the Situation Is Unimproved?

As said above, a number of army units have made initial positive changes in rationally using or transferring vacant land to units and localities for building production and business sites. However, the work done is very small compared with the area of land the army units are managing. A number of army units have also not been highly effective in putting buildings and land into operation for business and production. This does not take into account a number of units and a number of cadres and soldiers that for their own convenience occupy land and use it, causing the municipality's development plan to encounter difficulties. Most of the buildings and land managed by army units now is located in areas which can be put into production and business operations effectively. However, to do this, related organizations such as the Ministry of National Defense, Military Region 7 Headquarters, and the Municipal Military Headquarters should coordinate with the localities to discuss and set forth the most rational plan to simultaneously meet national defense construction requirements and contribute to socioeconomic development.

Spratly Archipelago Construction Continues
42090245 Hanoi *QUAN DOI NHAN DAN* in
Vietnamese 6 Apr 89 p 2

[Article by Mai Nam Thang: "Young Craftsmen Leave for Spratly Archipelago Construction"]

[Text] The Nha Trang commercial port during the days of March is bright and breezy. This afternoon (19 March 1989), the sea and sky are even brighter because of the

farewell to the young craftsmen of Phu Khanh Construction Corporation 2 who are leaving to work on "Project 26-3" on Thuyen Chai Island. Thirty minutes before the two cargo ships, Phu Khanh 2 and Phu Khanh 6, cast off and left the pier, we had an occasion to witness the departure ceremony of youth union members and youths leaving for construction at Spratly Archipelago. This is the first troop unit of Phu Khanh Province and also the first voyage this year of the Spratly Archipelago construction campaign of provinces and cities throughout the country. Vo Duong, Director of Construction Corporation 2, told us that when learned that the Provincial People's Committee and Construction Service had assigned a mission to Construction Corporation 2 to directly construct a building on Thuyen Chai Island, the corporation facility group suggested that leadership allow the group to undertake the project as a memorial to the 58th anniversary of the Ho Chi Minh Communist Youth Union. Thus, the project on Thuyen Chai Island will be called the "26-3 Youth" project. This suggestion was approved by corporation leaders. A voluntary movement to leave for Spratly Archipelago construction rose among youths throughout the corporation. Nearly 150 applications from union chapters (machinery, materials and Worksite 4) were sent to the youth group office. The leaders had to hold an enlarged meeting to evaluate and select volunteers. Among those "lucky enough" to go in this phase, we met a great many familiar faces who had participated in the construction of projects to assist the friends in Stung Treng: Nguyen Vinh Thanh, To Vinh Xuan, Pham Tap, Dinh Van Khoa, Ho Ngoc Huy, Pham Ai, etc.

Along with the atmosphere of joy and happiness, who is ensuring there are no disturbed reflections or entangling anxieties? Nearly all of them are young craftsmen and although not tied down with a family, to leave their friends, the worksite and Saturday afternoons and evenings of gentle rendezvous for the harsh rain and sun of the Spratly Archipelago is no small sacrifice. Young party member Pham Quang Dai for nearly a month has worked hard for a salary prepayment to feed four mouths at home because his wife has still not received her agency salary for March. However, with the status of a basic level youth union secretary, he has charged forward to be present in the Spratlys to take direct charge of the Project 26-3 Youth Union Chapter on Thuyen Chai Island. Meeting Phan Anh T., a technician cadre of the corporation, I inquired, "On this trip to the islands, do you have any anxieties?"

"Sure. Because up to now, we have only been familiar with 'going afoot' but now must build on the sea, a very concerning and entirely 'new soldier.'!"

I asked further, "Are those going afraid of the difficulties?"

T. answered sincerely, "If short of water, we have already tasted two dry seasons building in Cambodia. Rain and sunshine are familiar because we are construction soldiers. If the soldiers of the Spratly Archipelago can take it, surely we can."

Several minutes earlier, hearing the corporation director state that more than 150 volunteer applications had been received for the Spratly Archipelago construction, I was honestly "suspicious." Possibly the period of "sharing with the Spratlys to save the nation and happily rouse the future" has become history. The period now is the thing being "calculated" by everyone, a more realistic and specific life. Even the movement of the entire nation oriented toward the Spratly Archipelago during the past few years has at times and in places experienced some haggling, computation and demands for true "honesty." However, here the corporation had more than 150 volunteers for construction in the Spratlys. Conversing with and listening to their innermost thoughts, and observing the examples of enthusiastic impartiality and the strong and healthy youths neatly dressed in uniforms just issued this morning—all look as orderly as a regular army before going into battle.

The youth union members and youths of Construction Corporation 2 leaving for the Spratly Archipelago this time carry not only the sincere feelings and highly determined enthusiasm of the young but also—specific gifts. There are letters from mothers and sisters on the mainland; letters from the corporation director to the cadres and men on Thuyen Chai Island; and cigarettes and packages of sugar, milk, books, and newspapers presented to the troops out there by the corporation. And standing over there are the barges, iron and steel, cement, sand and gravel, boulders, etc. to be transported from the mainland to shore up the Spratly project.

ECONOMIC

Insurance Service for Foreign Visitors

42090262b Hanoi NHAN DAN in Vietnamese
21 Apr 89 p 4

[Unattributed article: "Additional Insurance Service Reserved for Foreigners Entering Vietnam"]

[Text] Immediately after the Investment Law was promulgated, the Vietnam General Insurance Corporation began insuring the assets and responsibilities of enterprises with foreign investment capital, aimed at assisting these enterprises and agencies in stabilizing production and life when unfortunate losses are caused by natural disasters or accidents.

With the purpose of meeting the insurance requirements of foreign customers, at the beginning of April 1989, the Vietnam General Insurance Corporation agreed to insure foreigners and their luggage while traveling within the territory of Vietnam.

Persons entering Vietnam to visit or call upon friends and relatives, to attend international conferences, congresses, sports competitions or art exhibitions, exchange

experience, seek markets, negotiate or sign contracts, those acting as specialists, workers and students, and individuals working in the diplomatic corps may participate in this insurance.

With a countrywide insurance network and many years of experience in insuring tourists in the country, and as an agent for the Europe Assistance Firm, the Vietnam General Insurance Corporation will be able to answer the requirements of international visitors to our country.

Cabinet Decision on Import-Export of Medicines

BK1405134289 Hanoi Domestic Service in Vietnamese
1100 GMT 13 May 89

[Text] The Council of Ministers on 9 May issued decision No. 113-CP on unified management of export and import of medicines and raw materials for production of medicines. The decision says:

The Ministry of Public Health is authorized to manage the export and import of medicines and raw materials for production of medicines on the basis of establishing types of nomenclatures for consideration and approval. Nomenclatures should include items that were banned, limited, and non-limited in volume for export and import.

State pharmaceutical enterprises and state-private business operated units are authorized to issue licenses for export and import of medicines and raw materials for production of medicines. The Ministry of Public Health will assign an appropriate unit to handle the export and import of medicines and raw materials having poisonous, addicted, and anesthetic substances and medicines for treatment of mental illness.

Foreign business corporations, including those of overseas Vietnamese that want to export medicines and raw materials for production of medicines to Vietnam, must register their corporations with the Ministry of Public Health and must strictly abide by the Vietnamese regulation on export and import of medicines and raw materials for production of medicines.

Those previous regulations on export and import of medicines and raw materials for production of medicines at variance with this regulation are hereby rescinded as from the date of issuance of this regulation.

Activities of Corporation in 1988

42090230C Hanoi NONG NGHIEP VIETNAM in Vietnamese
16 Mar 89 p 2

[Article by P.V.: "What Efforts Did the Vietnam Produce General Corporation Make in 1988?"]

[Text] Because it was formed by merging three units, the Vietnam Produce General Corporation has more than 40,000 cadres, workers, and civil servants, and 54 central units directly under it. In 1988 the general corporation

had to implement its production-commercial plan against the background of many difficulties and failure by the competent sectors and echelons to promptly and fully resolve the relevant problems. The greatest difficulties were the lack of circulating capital (about 5.8 billion dong for agricultural and industrial production), a lack of money to pay debts owed to the localities for the purchasing of produce for export (it owed 4 billion dong in the north and 5.8 billion dong in the south), a shortage of capital (1.4 billion dong) to pay for capital construction, and a serious shortage of cash. Furthermore, last year the weather was unfavorable, there was prolonged rain and little sun, and crop yields declined. Prices fluctuated, the lives of cadres and workers were difficult, etc.

Even so, the Vietnam Produce General Corporation made great efforts and attained a commodity output value of 5,528,572,000 dong. In 1988 its export index increased by 16 percent over 1987. If it were not for subjective factors (6 million dollars lost because the state could not provide 1,500 tons of pepper), in 1988 the General Corporation would have fulfilled its plan by 102.3 percent.

The struggle goal of the General Corporation's 1989-1990 plan is to increase the export index by 10-15 percent over 1988. The remaining export mission for the two years amounts to 110 million rubles, of which exports to the Soviet Union will amount to 85 million rubles.

In a speech at a conference to recapitulate the 1988 work of the Produce General Corporation, comrade Dong Si Nguyen, vice chairman of the Council of Ministers, pointed out that the Vietnamese produce sector is still transforming slowly and must be developed more strongly so that it can be worthy of being a leading production and export sector of Vietnam.

Energy Branch Announces First Quarter Achievements

42090261a Hanoi HANOI MOI in Vietnamese
7 Apr 89 p 1

[Unattributed article: "During First Quarter, Energy Sector Achieves Results in Primary Missions, Objectives: Producing More Than 2 Billion Kilowatt-Hours of Electricity, 1.24 Million Tons of Coal; During Second Quarter, Striving To Fully Collect Electric Power Fees, Supply Stable Electricity to Agriculture, Other Secondary Circuits and the Capital of Hanoi; Supply Sufficient Coal To Satisfy National Economy, Increase Coal Exports"]

[Text] During the 2 days of 4 and 5 April, the energy sector conducted a summarization of first quarter work.

It may be said that during the recent past, the energy sector encountered many difficulties. Coal and electric power production must bear the extremely great consequences of fluctuating and changing prices and the serious imbalance of the finance sector, and on the other hand, minimum conditions in materials and capital and

lack of a firm basis for ensuring achievement of objectives and plans and increasingly greater difficulties in the lives of the cadres and workers.

However, thanks to the dynamic supervision, support and assistance of state consolidated agencies, sectors and local areas and efforts by the sector, results in primary missions and objectives were achieved: during the first quarter, electric power production amounted to 2 billion kilowatt-hours, 105 percent of the quarter plan and 25.4 percent of the annual plan. Electricity distributed for production and daily living amounted to 1.47 billion kilowatt-hours, 101.7 percent of the quarter plan and 24.4 percent of the annual plan.

Along with the efforts above, the electric power sector also had a number of shortcomings such as: under conditions of improved electric power sources, Electric Power Corporations I and II have not given the proper level of concern to the system of optimal capacity operation and distribution between sources of electric power in the system. Economic and technical norms such as fuel consumption, electric power loss and self-used electricity increased over the first quarter of last year. Corporations have still not made a strong change in renovation of management, distribution and use, and have not promptly strengthened and consolidated the business system or customer management and consequently, production costs have increased, etc. Electricity bills in the north have risen to 30 billion dong, while Electric Power Corporation I owes various units nearly 20 billion dong.

In coal, first quarter output of washed coal reached 1.24 million tons, 19.5 percent of the annual plan with distribution of 1.2 million tons, 19 percent of the annual plan. Coal distribution is still extremely difficult; and all mine areas, enterprises, and corporations must operate under conditions of compensating for losses. Not a few distributors have misappropriated capital and failed to repay so units have no source of capital for expanding reproduction, and the lives of the cadres, workers, and civil servants are extremely difficult.

In production of mining equipment, all machine units and enterprises suffered from a serious lack of capital for maintaining and developing production and paying cadre and worker salaries. Machine goods worth 4 billion were sold and customers owe 3.3 billion dong. Units had to borrow nearly 3 billion with interest of 250 million dong per month and were unable to borrow more at the end of February.

In electric power equipment, in achieving the 35 kilovolt program, 150 transformers in capacities of 160 to 1,000 kilovolts, 125 breaker switches, 35 tons of power line accessories, etc. were produced.

During the second quarter, electric power corporations will strive to produce 2.28 to 2.3 billion kilowatt-hours, an increase in the electric power product of 1.51 to 1.53

billion kilowatt-hours, with a reduction of coal consumption of 3 to 5 percent, a reduction of lost electricity to below 19 percent, etc. In coal, a specific balance is necessary between domestic and export distribution capabilities to define the amount of washed coal that must be produced.

The electric power sector will use various forms for the prompt and full collection of electric bills; ensure a prompt and sufficient capacity supply of electric power to agriculture; and supply stable electricity to key secondary circuits for the production of consumer and export goods, the capital of Hanoi and Ho Chi Minh City. Economic and administrative methods will be resolutely employed for those using electricity without paying, violating the high-low point system, and encouraging the use of third shift power.

In coal distribution, a satisfactory supply for the national economy will be assured. Sufficient coal will be supplied for electric power production in accordance with economic contracts, a reserve maintained prior to the typhoon season, and efforts to raise exports to from 200,000 to 300,000 tons.

Industrial Production Stagnates

42090262b Hanoi NHAN DAN in Vietnamese
21 Apr 89 pp 1, 4

[Article by Tran Hoang Kim: "Industrial Production Standstill, a Good or Bad Sign?; Increase Little but Profits Actually Much Greater, Resulting in Need for Great Compensation of Losses; Resolute Renovation, Rapid Change in Production Course Aimed at Objective of Effectiveness"]

[Text] Beginning 1989, industrial production had a number of extremely fundamental advantages compared with previous years. One was that the supply of energy, fuel, and materials was generally speaking not as strained as in previous years. Because the supply of electricity was supplemented from sources in Tri An and Song Da, output was significantly increased. The supply during the first quarter of 1989 alone increased by 8 percent over the first quarter of 1988. The supply of coal was not only sufficient in quantity but also better in variety and quality. The purchase of other types of supplies and raw materials was easier due to changes in the supply mechanism. Secondly, the positions and policies of commodity economic development of many party and state components were tested during 1988 and now are truly effective factors in stimulating the development of industrial production. Decision 217-HDBT began to unleash state-operated industry; and Resolution 16 of the Political Bureau mobilized the manpower, material, and financial potential of economic components outside state operation. Many scientists, high-level workers, craftsmen, etc. boldly expended capital in new capital construction or additional construction of present facilities. Counting up to 1989, Ha Nam Ninh has an

additional 349 industrial production facilities with capital of 472 million dong; Hau Giang has an additional 961 facilities employing another 3,720 laborers; and the fishermen of Thuan Hai Province and Vung Tau-Con Dao Special Zone have built nearly 400 more fishing boats with capital of a few thousand taels of gold. In Song Be and Tay Ninh, private individuals have invested an additional tens of billions of dong in small industry and handicraft facilities.

Despite such extremely fundamental advantages, industrial production had a tendency to stand still. Although production still had a rate of increase, it was slower than during previous years. Total output value of the entire industrial sector during the first quarter of 1989 increased by 5.8 percent over the same period last year (while that of first quarter of 1988 increased by 7.4 percent over the previous year). A number of products increased fairly well compared with the first quarter of 1988, such as electric power by 38.6 percent, cement by 29.8 percent, soda by 22.8 percent, sulfuric acid by 6.8 percent, insecticide sprayers by 6.2 percent, water conservancy pumps by 3.9 percent, syrup by 9 percent, etc.

Products increased but commodities could not be sold, creating a shortage of capital and wages. Why?

—Change of the plan assignment mechanism demanded that state-operated economic facilities rebalance sources of material, technology, finance, and labor to produce goods with locations for distribution. Nearly all enterprises had to rearrange their organization and formulate production plans consistent with market requirements. The producer requires time to explore the market and conversely, the consumer still does not truly believe in the producer. Therefore, to this time, only 50 to 60 percent of product distribution contracts have been signed.

—The process of shifting from state subsidization to business along a gradual course of fully calculating inflow caused production expenses to rise and therefore, many facilities are confused about the consistent handling of outflow. In any enterprises where the change in course was swift, production is still profitable and even much more profitable than before; but to this time, these examples are not many in number. A sampling of 134 enterprises of Hanoi, Nghe Tinh and Thuan Hai at the beginning of March 1989 indicated that only 36 percent were profitable while the remaining 64 percent were not earning a profit or were suffering losses (including enterprises making products that cannot be sold). In industrial production, the current problem is that many products are made but customers reject the high prices, inventories are large and production must be moderated. During the state subsidization period, products were sold "like they were being given away" so purchases had to be "like stealing." It was not necessary to produce but only to buy large amounts of supplies and raw materials at the planned prices and then sell them at the

market price or to withhold them and wait for the prices to rise before "unloading" them for a profit. The objective at that time was to find the value not only to the producer but also to the consumer, while today, with prices already high and the difference no longer in existence, the buyer's objective is the use value. There was a time that, due to an incorrect price mechanism, the state threw hundreds of billions of dong "out the window" annually without creating any significant motive force. In such a situation, some foreign goods were of better quality and cheaper so many products become stagnated at their place of production. The chemicals sector has backlogged more than 75,000 tons of fertilizer, 350 tons of H₂SO₄ acid and 2,300 tons of alum; Binh Tri Thien, 2,000 tons of cement; Ha Son Binh, 2,180 sets of improved cart parts, 12,000 shovels, 60 rice threshers and 15,000 liters of alcohol; and Hanoi, more than 20 billion dong worth of goods comprising: 27,000 bicycles and 4 billion dong worth of parts, 150,000 locks, 150 tons of paper, 500,000 pairs of tennis shoes, 800,000 pairs of socks, 140 million dong worth of glass, 400 million dong worth of student notebooks, 150,000 pairs of gloves, 1,200 suitcases, 200,000 meters of waterproof nylon, etc.

The greatest difficulty in industrial production at the present time is the shortage of capital and cash. There are three major causes affecting the situation above. First, because products are distributed slowly and even become stagnated, liquid asset rotation is extremely low (the Hanoi Industrial Service alone has more than 10 billion dong, almost two-thirds of the sector's independently acquired capital). Secondly, production expenses constantly rise while capital fails to rise at all or fails to do so at a corresponding rate. Third, the state's previous mechanisms of planning and setting purchase prices for supplies and raw materials (C2), product sales prices, and the rate of fixed asset depreciation was incorrect, causing many enterprises to have false profits and true losses without a concept of "taking an excessive cut" and consequently, "gradually cutting off" capital." During the period of state subsidization, a large portion of the surplus value created by an enterprise was the transferred value of machinery, equipment, supplies and raw materials (in substance, the price difference). It was erroneously thought that the work produced profit which was divided up for salaries. Now this transferred portion has shrunk and distribution must be based on labor productivity and the business and production effectiveness before recognizing that one is defective in every aspect, short of everything and in peril of bankruptcy. The mistakes of macrocosmic management have created an atmosphere of false plan completion; at the end of the year, every facility lights firecrackers in celebration of plan completion and distribution of bonuses while the plan set forth by the state is almost never met during any year. State financial arrangement is upset and inflation becomes increasingly greater.

The business and production situation in general and industrial production in particular are at a temporary standstill. This may be a necessary and essential cushion for "tossing

and turning." The time has come for business and production to calculate results and effectiveness. We cannot maintain 10 or 20 percent increases with annual state subsidization of hundreds of billions of dong. The greater the production, the greater the rate of increase, and the greater the losses incurred, the higher the budget overdraft. Production has continued to increase by about two-thirds but profits are truly "quality rather than quantity," a pleasant sign but efforts must be made to achieve a higher level of increase. This situation demands that enterprises make extraordinary efforts in production and business: practice conservation in production, raise productivity and product quality with a location for distribution, be flexible in distribution to regain and swiftly rotate capital, etc. We cannot be touched or sympathetic about the locations operating at a loss due to surpluses, vacillation, ruing the old and wavering in renovation. For production and business to operate robustly, pains must be felt during the first period of tossing and turning.

Cry for Help Is Heard From Cam Pha Coal-Producing Area

42090238 Hanoi TIEN PHONG in Vietnamese
28 Mar 89 p 3

[Article by Dao Quan: "SOS Comes From Coal-Producing Area - No Wages Paid for 4 Months - Over 1 Million Tons of Coal Unsold"]

[Text] In these last days of March, we again found ourselves in the Cam Pha coal-producing area. The youths here were being involved in the emulation month, the purpose of which was to score achievements to celebrate the 58th anniversary of the Youth Union and to welcome the first congress of the youth union chapter in Cam Pha Coal Corporation (CPCC).

In 1988, the CPCC youths, cadres, and civil servants scored a new unusual achievement: They produced a quantity of coal equal to two-thirds of the country's total coal production, overfulfilled the state plan assigned to it in terms of both coal and earth removal, and had a profit of over 6 billion dong.

In the meantime, nearly 30,000 miners, including over 50 percent being youth union members, have been encountering difficulties in their everyday life. Here and there painful stories have appeared. Some negative phenomena have arisen from the situation. One of the reasons was that for 3-4 months they have not been paid yet. Workers do not have any money to spend each day. Quite a few of them have to sell everyday-use items in their household or the industrial products that the enterprise have given them in the place of wages. The products that they have to sell are subjected to price limits set by private business people, a fact that makes them lose even more, because whatever goods they buy must be paid by checks, which have a greater value than cash. In Cao Son mine, 30 youths were selected to fulfill their military obligation. In order to pay them the full overdue

wages prior to their departure, the mine leadership had to borrow money from private business people and to pay high interest. Why did such a situation exist?

In 1988, the wage fund that the corporation was allowed to use to pay its workers amounted to 15.44 billion dong. In the first 9 months of the year, the bank paid into it over 8 billion dong. On 16 February 1989, the bank paid an additional amount of 3.896 billion dong. In addition, the corporation bought 1.2 billion dong worth of goods, which it paid by checks, for distribution to its workers. In the last quarter of 1988 alone, the wages it owed its workers amounted to 1.423 billion dong. That did not include the bonuses (about 3 billion dong) to be paid them for having fulfilled the plan, and the wages in the first quarter of 1989 amounting to 6.3 billion dong have not yet been paid. The three Communist Youth mines (Thong Nhat, Mong Duong, and Khe Cham), which are part of the CPCC, had to sell some of the collective's facilities to pay wages that they owed their workers, amounting to about 1 billion dong.

The reasons behind that situation were the state's lack of cash and the slow sales of coal payable by checks, with more customers now buying on credit, and hence using one another's capital. The units that bought coal and owed the corporation the largest amounts of money were Power Corporation 1, Coal Supply General Corporation, and COALIMEX. These units, on the one hand, used coal at a slow rate; and because customers bought their products with capital supplied from the state budget, they did not have money to pay sellers whenever the bank failed to supply cash to these customers.

Another reason was the excessively large quantity (over 1 million tons) of unsold coal stored in the Port of Cua Ong, which resulted from the fact that the state had set the prices too high and that customers still refused to accept them. The grade of this coal stored in Cua Ong is getting lower everyday and the losses resulting from it will be considerable. A preliminary estimate has put the value of this coal at more than 17 billion dong. The state-supplied invested capital has satisfied only about one-third of the corporation's needs. The Quang Ninh Bank of Industry and Commerce has granted it loans amounting to 7.9 billion dong, as to let it continue production. Not only is the corporation paying interest but it also finds that for any amount of coal it succeeds in selling, it will not get paid because the bank will take the money from this buyer, or from any customer who is capable of paying at all. That is why workers here do not get paid.

The fatherland is in need of a lot of coal, but we have just depicted the real situation of production and of workers' everyday life. We hope that the responsible echelons, sectors, and organs would soon put an end to this situation.

General Secretary Comments on Free Use of Business Income

42090235 Hanoi DAI DOAN KET in Vietnamese
4-10 Mar 89 pp 1, 2

[General Secretary Nguyen Van Linh's comments as noted by Phuoc Sanh: "During Visit at Private Enterprise XACOGIVA, Nguyen Van Linh Wishes That Bourgeois Become Socialism-Building Bourgeois"]

[Text] *Editor's note: In the morning of the 27th day prior to Tet (3 days before the lunar New Year) of the Year of the Snake, General Secretary Nguyen Van Linh visited the privately-operated Communications and Transportation Project Construction Enterprise (XACOGIVA). After having heard a report made by Pham Cong Tuoc, chairman of the enterprise's Board of Management, Nguyen Van Linh offered some ideas of his own as follows:*

A short time after the liberation, I was assigned the job of being the head of the Reform Committee for the provinces and cities in the South. At that time, I found that as our country was moving toward communism from a poor and backward agricultural economy, it would greatly need the material and spiritual contributions of the entire nation consisting of many economic components and including the national bourgeois, the people who normally have much knowledge of and experience in production and business. But because people simply understood at that time, in accordance with a common concept, that we would only need the state-operated and collective economic components to move toward socialism, my opinion did not find any agreement or support.

Afterwards, as we have known, the economic installations went through reforms and, now under the management of state cadres, switched to state subsidies and began to suffer from increasing losses and decline. Then by the time the 6th Party Congress was held, the Political Bureau had once again dealt with this matter and finally unanimously decided that the reforms had been wrong, for they had not conformed to Lenin's views. In the new economic policy, Lenin believed that we should adopt state capitalism, i.e., we should do business in accordance with the line and policies of the proletarian state.

In our country, now things have been clearer. Implementing the party's 6th Resolution, we have had new positions and policies, which create favorable conditions for us to develop all our economic components, to abolish bureaucratic centralism and state subsidies, and to firmly switch to socialist production of goods. This is a major policy of basic character and is not something that is temporarily used to deal with the current situation. In order to move toward socialism, we must have the material and technical base for heavy industrial production and, first of all, a body of cadres who can do commodity economic work in an effective manner. In this case, we cannot afford not to have the national bourgeoisie.

By the way, I want to add that for some time now, among us there are some people who, because of wrong prejudices, have been avoiding the term "bourgeois" (tu san) and pronouncing it as "private people" (tu nhan) rather. According to the party resolution, the national bourgeoisie is one of the economic components recognized by the law.

In the near future, we will have a domestic investment law and clearly-defined legal rules to allow you to feel safe as you invest both capital and energy in long-term business while expecting that it will last at least for decades, and not to be afraid that you have been "talked into" investing and "fattened for being butchered" later, as some of you have already expressed such a fear. You have the total right to use legitimate income being the economic results of your mind, energy, and capital, which you have contributed, and nobody has the right to control how you eat and live. The right to inherit properties and to care about the learning and future of one's children is also guaranteed, with nothing being restricted. Since we have opened our door for foreign bourgeois to come in and to do business with our country, there is no reason at all for us to restrict our own bourgeois, provided that they do business while correctly observing the law and actively contributing to boosting production and bringing wealth to the socialist society.

About the plans and notions that actually are within the municipality's authority, I am sure that the municipality will support and study them so as to take appropriate decisions about them. They certainly include a survey and planning for the Nha Be-Binh Chanh road.

I now offer the municipality another suggestion: In order to create favorable conditions for you to fully develop your energy and potential, and for the sake of promoting overall development throughout the municipality, we should have very rational planning, both general and specific, to be undertaken by every sector and every locality. For the individual economic units, without any discrimination as to what component they may belong to, the correct course of action to take in the time to come is to do combined business as you are doing in this enterprise. This is the only way to ensure great results, both economic and social. On the other hand, the Municipal Fatherland Front Committee should assist the Association of Industrialists in organizing periodic activities that will have to do with domestic and foreign situations, immediate and long-term tasks, and party and state positions and policies, and thus helping our bourgeois to continue improving political understanding, just as it has been doing for the benefit of cadres and civil servants in state organs and units.

As for cadres, we should be even more daring in creating favorable conditions for them to work more effectively in order to encourage production and business installations to take initiative of their own.

The general secretary ended his visit at the enterprise by writing these words in its "golden book": "I am very encouraged by and welcome the business of the privately-operated enterprise XACOGIVA. With their talent and capital, the national bourgeois will make deserving contributions to a takeoff of our socialist fatherland. I wish that they all become the 'socialism-building bourgeois.'"

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Assessing 8 Years of Moving People to, Building NEZ's

42090217 Hanoi QUAN DOI NHAN DAN in Vietnamese 3 Apr 89 pp 1, 4

[Article by Le Lien: "Eight Years of Implementing the Strategic Policy of Moving Laborers and People to and Building New Economic Zones—Results and Things To Be Resolved"]

[Text] At four consecutive party congresses (the 3rd, 4th, 5th, and 6th congresses) our party considered redistributing the population and building new economic zones

(NEZ's) as a strategic policy aimed at stepping up production, promoting cultural and social development, and contributing to maintaining the country's national-defense security. Since 1960 we went through four stages of achieving this task (the 1960-1970, 1971-1975, 1976-1980, and 1981-1988 stages). In each stage, there were specific goals, work methods, organization, and policies, with results obtained and lessons of success and failure left behind for the subsequent stages.

The 1981-1988 stage had an important significance. On the one hand, it inherited the experiences drawn from the preceding stages; on the other, it was progressing while the country underwent many socioeconomic changes. In the last 2 years, the fact that the country began to carry out the renovating task raised a series of questions that needed timely answers.

In the last 8 years, the total central budget invested in the new collective economic sector was 8,755.9 million dong. Compared to the goal set in Policy 95/CP, the state was able to invest only about 26.9 percent. But with efforts made by the central and local administrations, according to data provided by the Laborer and Population Mobilization Department (Ministry of Labor, War Invalids, and Social Welfare), we were able to redistribute and organize the moving of nearly 2 million people, with 900,000 laborers, for building NEZ's (fulfilling 85 percent of the goal set in our plan). Those figures included 1.3 million people, with 620,000 laborers, being moved within provinces; 560,000 people, with 280,000 laborers, from one province to another; 420,000 people and 210,000 laborers from the North to the South. The laborers who were moved to new locations were able to satisfy in time the needs for labor of the spearheading industrial crop sector: 175,000 laborers for the rubber crop, 40,000 coffee, and 13,000 forestry. In this stage, because of the lack of adverse consequences resulting from the moving of people from the southern rural areas, and thanks to the experience learned from the failure in previous years, the laborer-people ratio was increased to 45 percent (43 percent in the preceding stage), the percentage of people leaving the NEZ's for home was down to 10-13 percent (18-19 percent in the preceding stage), and the quality of labor was improved.

In the new zones, the forces of laborers and people opened new land and started production in 400,000 hectares, of which 20,000 hectares accommodated grain crops, with annual production totaling more than 500,000 tons of grain converted to paddy equivalent. There they built many material and technical bases for production and everyday life. According to combined data provided by 23 provinces, the new land that was made productive for the first time totaled more than 250,000 hectares; 419 schools, 380 public health installations, 2,638 kilometers of roads, 132 bridges, 58 drainage pipes, 16 dams, 181.14 kilometers of canals and ditches, 6 small hydroelectric power stations with a total output of 420 kilowatts, 2,305,500 square meters of housing, and so on, were built. In the old native land, the

land left behind—totaling 98,000 hectares of residential and crop land—created favorable conditions for localities to reduce population pressure, to raise the average grain distribution, and to create more jobs for their people.

In 8 years, seven new districts and many new villages were established. In the case of many state farms which had been losing money in their operations, the fact that the new people who came to build NEZ's were put into the local labor force and assigned land for development of the family-based economy helped to make the use of land here more effective. Every year the NEZ people produced a remarkable volume of products: about 500,000 tons of paddy, thousands of tons of coffee, pepper, rubber, tea, and so on. Every year the results of the movement of people to NEZ's helped to provide jobs to 25-27 percent of the total number of people in need of work, with very encouraging results being obtained in their material living conditions. According to data supplied by 11 provinces, the standard of living of NEZ people was favorably evaluated as rather good, with better living standard resulting in accumulation accounting for 27 percent, intermediate living standard, 48 percent, and poor living standard, 25 percent (in Gia Lai-Kon Tum, where there still existed many difficulties, the percentages were 20, 35, and 45 percent, respectively).

In addition to the forces provided by the civil administration for the building of NEZ's, army units also took a direct part in building them; managed 43 state farms and forests, including 19 state farmers with a total area of 25,000 hectares; either opened new land or reclaimed idle land, with 72,000 hectares of such land becoming productive; improved and built 13,256 hectares; built 671 kilometers of communications roads and 551 kilometers of forest paths; dug and built 3.1 million cubic meters of earth for irrigation; built more than 1 million square meters of housing and projects; and planted new rubber trees in 8,507 hectares, tea 155 hectares, coffee 6,119 hectares, and so on, with the value of gross production amounting to 2.102 billion dong. From 1981 to 1988, the army used 23,000 troops, including 13,000 defense workers and civil servants with 2,981 families, to take part in NEZ's. At present, almost all army units which were switched to building NEZ's, such as Groups 331, 332, and 333, and Hien Hoa Tea Enterprise, have adopted independent accounting and have so far obtained rather good results.

The organization and movement of laborers and people to building NEZ's in the last 8 years really became a revolutionary mass movement. The NEZ's made major economic contributions. In the national defense field, the fact that we succeeded in moving people to sparsely-populated and remote areas, the Meo highlands, and important strategic locations was greatly significant. In the past years, many NEZ's in Tay Bac, Viet Bac, Central Highlands, and western Nam Bo were able to establish

strong self-defense and militia units, to launch an all-people movement to defend the fatherland, and to score many brilliant achievements.

Reviewing the organization and movement of laborers and people in the past years, besides the good results obtained, there still existed many weaknesses and shortcomings. From actual surveys and the opinions of many localities and party and state organs we were able to learn these major points:

The understanding and implementation of the party line and policies were not sufficient, with the efforts to organize their implementation still showing many mistakes and failures. Although the goals of moving laborers and people to NEZ's were to promote full development of the economy, culture, and society, which would require appropriate investment and a large production force to build NEZ's on a full scale in a uniform program having definite objectives, many localities at times solely pursued the goals of reducing the number of people and the number of mouths to be fed, achieving self-sufficiency in grain supply at any cost, and neglecting the social and people's life aspects. Because the building of NEZ's was not closely linked with the achieving of settled farming and settled life, the leadership proved itself divisive and failed to achieve a real coordination of the work, nor to resolve in time the contradictions that had appeared.

In this stage, we still did not inherit and fully apply the experiences, both successful and unsuccessful, of the preceding stages: standardizing the NEZ's and the rate and structure of investment; applying the formula, "The state and the people do the work together," too strictly in some localities and too loosely in some others; opening new land being not linked with putting it to use and protecting it; state forests and state farms failing to play a central role; such activities as providing services, supplying the necessities, purchasing and exchanging products, and so on remaining weak; and the cultural life being neglected still.

The organizing apparatus permanently lost its stability. Although the task of moving laborers and people was considered a strategic one, the organization in charge of such moving was not affirmed in a definite manner. For nearly 30 years, through 4 stages of implementing this policy, there were 4 times when the organization was changed. The liaison base at the central level was divided and assigned to five organs which would function as the leading ones; therefore, leadership was divided and unable to generate a combined strength.

In the building of NEZ's, many localities failed to combine a full understanding of this building task with national defense: Building production organization was not linked with organizing the militia and self-defense forces; being concerned about performing daily work made people fail to pay attention to carrying out the military training program, and the task of teaching

people the concept of national defense was either totally ignored or carried out insufficiently. In some localities, the laborers who were sent to NEZ's had been forest destroyers, or smugglers, and had not been educated in time, before being sent there.

Our country still has 13 million hectares of uncultivated land, including nearly 4 million hectares being possibly used for agricultural production and 9 million for afforestation. Every year, about 1 million people reach the working age, and the number of unused workdays in agricultural production is nearly 1 billion. In addition to other measures, we must continue to divide the task of organizing laborers and people to be sent to new socioeconomic zones in order to increase the cultivated areas and to link labor with land, resources, occupations, and current material and technical bases, for the purpose of providing the country with more material wealth and commodities. This is an objective necessity and continues to be a strategic task during the entire period of transition to socialism in our country.

In order to fulfill, in the next few 5-year plans, the goal of effectively mobilizing the abundant sources of labor and rationally exploiting and using most of the still-uncultivated land so as to develop the economy and society and to strengthen national defense, the following necessary work must be done in a proper manner:

There must be unity of mind in regard to the policy, line, and concept on leadership over the strategy of moving people to NEZ's, which must be a part of the common socioeconomic development strategy of the country; there must be long-term programs and goals, as well as steps appropriate for the situation of the country. We will thus be able to avoid subjectivity, impatience, and voluntarism, and at the same time to overcome the tendency to neglect things, to make "blank-check" assignments, and to be skeptical.

As we organize leadership over the task of redistributing laborers and people for building NEZ's, we must build a system of new mechanisms and new policies suitable for the economic laws and for the policy of renovation which the party has adopted. To build NEZ's is an investing trend that brings about basic effectiveness and quick and long lasting results. The state must have appropriate and uniform investment policies, in which the important points must be highlighted. On the other hand, to mobilize capital from the people and localities must be considered a necessity. The localities where laborers are sent to must offer uniformity and all occupations; people having many skills and experiences must be encouraged to go and build NEZ's. As we organize production and serving production and everyday life, we must pay attention to organizing militia and self-defense units as the hard core and stepping up the teaching of all-people national defense for the benefit of newcomers.

We must have a specialized apparatus, unified at both incoming and outgoing ends, to organize leadership in accordance with the professional and economic formula, with business and accounting helping to regulate and coordinate the combined strength of various sectors and levels; to monitor, to have realistic leadership, and to have final reviews in time; to popularize and widely disseminate the typical progressive models; to provide good services; to popularize scientific and technological achievements aimed at opening and effectively using uncultivated land, as well as protecting the environment; and to guide the groups of newcomers toward taking the common direction in accordance with the state plans, now and in the future.

Reporter Interviews Rubber General Department Director

42090233c Hanoi LAO DONG in Vietnamese
2 Mar 89 p 3

[Interview with Pham Van Hy, Director of the Rubber General Department, by LAO DONG correspondent: "Shift to Business Accounting but Losses for 1989 Known Beforehand; 7 Billion Dong in State Cash Needed During 1 Month To Pay Wages and Buy Rice for Workers"; date and place of interview not given; first paragraph is LAO DONG introduction]

[Text] On 14 November 1988, the chairman of the Council of Ministers issued a decision that beginning with 1989, the rubber sector will shift all activities to socialist economic accounting. A correspondent from LAO DONG interviewed the director of the Rubber General Department, Pham Van Hy, on implementing that decision.

[Correspondent] With the Council of Ministers decision, is it possible to state that the rubber sector has been unchained? Have these conditions allowed the sector to successfully implement business accounting?

[Pham Van Hy] True, the state has "unchained" us but only the hands and feet have been "unchained" while the person itself is still confined. What is preventing an "opening" for the rubber sector to successfully achieve business accounting is still prices. While the state has permitted us to accurately and fully calculate the domestic selling price of rubber, the price of export rubber of a sector that reserves up to 90 percent of its product for export is still "bound." The price framework of 800 rubles per ton of latex signed by a state agency outside the rubber sector with other countries for a 5-year period (86-90) does not accurately reflect the sector's expenses. Furthermore, the sector receives only 90 percent of the total number of export dong and rubles. If calculated by the present method with the state permitting the general department to use export dong and rubles to purchase equipment, materials, and commodities distributed by the state with a transfer of Vietnamese currency, the average is 1 ruble equal to 2,200 Vietnamese dong. Meanwhile, in accounting for maximum expenses, a

rubber must bring 2,900 dong to produce a profit. If compared with the domestic sales price per ton of latex of 2 million dong, export in area 1 brings only 1.6 million dong while from beginning to end, 1.9 million dong in expenses are incurred! With this irrational price mechanism, the sector during 1988 exported 33,000 tons of rubber for area 1 and had to compensate for about 15 billion dong in losses. If not changed, during 1989, after exporting 36,000 tons to area 1 according to the plan, the rubber sector will lose another approximately 15 billion dong and in 1990 will also be unable to avoid the same situation. Thus, the state permits the sector to engage in business accounting but the business is within a framework of knowing its losses beforehand!

[Correspondent] Concerning capital, which is now self-provided, does the general department have any method for overcoming the shortage?

[Pham Van Hy] During 1988, the sector needed about 50 billion dong and the state supplied only 3.7 billion. During 1989, the entire sector needs 79 billion to care for 122,000 hectares of young rubber trees, newly plant 17,000 hectares, and extract latex, all without state assistance.

To overcome this, besides primarily capital loan agreements with other socialist countries, the sector will initially begin to cooperate with capitalist countries such as Italy, Japan, Belgium, and France. In the first step, the sector will conduct a joint venture with Japan and Belgium to process rubber slabs and manufacture gloves. In step two, a number of countries will be allowed to invest capital in growing rubber. In conjunction with competing for foreign investment, the general department is also encouraging domestic economic components to invest in growing rubber. At the present time, a number of individuals and collectives are doing so. To achieve good development, the sector is drafting specific regulations and policies on this issue.

[Correspondent] Will you tell us if the shift by the sector to business accounting will have any effect on the lives of the rubber workers?

[Pham Van Hy] First of all, due to their autonomy, corporations can achieve self-equilibrium in investment capital for production and life. Business accounting also restricts income leveling. Now any individual or unit achieving effective work will earn a high income. Conversely, with poor work and deficits, the standard of living will clearly be low.

Recently, a number of rubber corporations instituted good methods of product contract organization such as Binh Long, Chu Xe and Dong Nai, both raising the living standards of the workers and achieving efficiency in production. For example, these corporations previously had an average of one laborer per hectare caring for the rubber trees, but now due to contracts, one laborer cares for 2 hectares and up. As a result, worker benefit is accurately and completely calculated, incomes are high,

and additional land is available for companion cropping. The general department benefits by: reducing labor recruiting and from that, reducing expenses for housing construction, dependents, and utilities.

Nevertheless, there are still many immediate objective difficulties directly affecting the lives of the workers. Besides wages which are usually late due to lack of cash which the state is unable to resolve, the general department is hampered in providing rice by an upper level decision. In previous purchases of rice for the workers, corporations were permitted to make payment by check. Now the Council of Ministers has stipulated that all units engaged in a rice purchase business transfer must make payment in cash. The rubber sector now needs 2.2 billion dong monthly to purchase rice for the workers (7 billion if wages are added). During January 1989, the general department negotiated with the grain corporation and payment by check was approved. Still, there will probably be many difficulties in the following months.

[Correspondent] Thus, although several things have been resolved, proposals are needed for many existing inconsistencies. What is your opinion?

[Pham Van Hy] That's true. On one hand, we continue the mission and on the other, we continue to submit proposals to the Council of Ministers to resolve the remaining inconsistencies in export rubber prices, capital for the rubber sector, and the lives of the workers, specifically rice, wages, etc. The rubber sector has extremely individual characteristics and a great need for an open and consistent mechanism before good results can be attained in business accounting.

Reporter: Thank you, comrade.

Need for Skilled Rural Youths Stressed
42090230A Hanoi NONG NGHIEP VIETNAM in
Vietnamese 2 Mar 89 p 1

[Article by P.V.: "Eleven Million Rural Youths Must Be Skilled in Production and Commerce"]

[Text] Recently, in Hanoi, comrade Nguyen Cong Tan, minister of Agriculture and Food Industry, had a discussion with comrade Ha Quang Du, first secretary of the Ho Chi Minh Communist Youth Union, regarding a number of aspects of the task of mobilizing youths in the agricultural production sector and rural areas to carry out the three major economic programs.

Minister Nguyen Cong Tan announced the leading sectors on which the Ministry is concentrating its guidance: grain, food products (among which milk is stressed), coffee, tea, produce, tobacco, and beer; and the areas in which development must be concentrated: Dong Thap Muoi, the Long Xuyen quadrangle, the Central Highlands, the midlands, and the other mountain regions. In the rural areas, it is necessary to develop the sectors and trades, carry out an on-the-spot division of labor, create

commodity production, and bring about prosperity in the countryside. Comrade Ha Quang Du said that more than 11 million youths of the total of 17 million now live in rural areas. They are capable and always lead the way in introducing scientific-technical advances to production and new things to the rural areas, such as introducing new trades at Nghi Loc and Cam Xuyen (Nghe Tinh Province), etc. He said that at present it is necessary to help rural youths work skilfully so that within a few more years they can form a generation of new workers to change the face of the countryside.

The two agreed to launch an emulation movement for the families of rural youths to be skilled in production and commerce. The good working methods of the rural youth models who are skilled in livelihood will be introduced and useful and interesting discussions will be held in 1989 and 1990.

Agricultural Accomplishments in 1988 Listed
42090230B Hanoi NONG NGHIEP VIETNAM in Vietnamese 16 Mar 89 pp 3, 6

[Article by P.V.: "Some Results of the Sector's Production and Commercial Activities in 1988"]

[Text] In 1988 the total cultivated area increased by 2.7 percent over 1986. The grain area increased by 100,000 hectares over 1986, the subsidiary food crop area increased by 100,000 hectares over the 1986-1987 period, and the winter corn area in the north increased 200 to 300 percent over previous years.

In 1988 the total grain output in paddy equivalent increased by between 800,000 and 1 million tons over 1986, and increased by 1.8 to 2 million tons over 1987. In the north the rice output increased by 650,600 tons over 1987 and in the south it increased by 1.09 million tons. In nine provinces grain output increased by 100,000 tons or more over 1987, and four provinces—Cuu Long, Ha Nam Ninh, An Giang, and Hau Giang—attained a grain output of more than 1 million tons.

In 1988 the nation as a whole mobilized 3.9 million tons of grain in paddy equivalent, which was 80.7 percent of the plan and an increase of 500,000 tons over 1987 and 210,500 tons over 1986. It was the year in which the greatest amount ever was mobilized.

The Central Seedstock Corporation supplied for production nearly 100,000 tons of seedstock of all kinds, including 3,500 tons of treated seeds and 500 tons of winter corn seed. It provided 1,500 tons of seeds of quickly maturing rice varieties and 500 tons of corn seeds.

The Vegetation Protection Department supplied 9.941 tons of insecticides (109.7 percent of the plan), and 100,000 pump sprays.

Veterinary medicine services supplied all kinds of pharmaceuticals, veterinary medicines, etc., worth 1.678 billion, which amounted to 104 percent of the plan.

The veterinary medicine enterprise produced 14 kinds of vaccines and drugs, thus attaining 100 percent to 220 percent of the plan norms.

The Federation of Poultry Enterprises supplied 15.7 million eggs of all kinds and 2.2 million 1-day-old chicken eggs. The Breeding Hog and Industrial Hog Corporation supplied 461 reserve boars and 5,560 reserve sows. The Milk Cows and Milk Corporation produced more than 60,000 vials of frozen sperm and supplied 85 breeding milk cows, 23 bulls for breeding milk cows, and Sind cattle breeding stock. The Central Bee Corporation supplied 2,300 queen bees. In 1988 it exported 298 tons of honey.

With regard to animal husbandry, the Thuoc Nien (Tien Giang) herd was selected, its quality was improved, and it was built up to more than 1,000 breeding sows and more than 2,000 Yorkshire breeding sows.

Although many difficulties were encountered, in 1988 the production-commercial units attained a total output value of 7.681 billion dong, an increase of 9.13 percent over the plan norm and an increase of 3.66 percent over 1987. In 1987 accumulation deposits amounted to 25.542 billion dong, 138 percent of the plan norm. In 1988 the total increased to 99.47 billion dong, 129 percent of the plan norm.

Of the 28 principal products of the sector, 17 attained or surpassed the plan norm: beet sugar, sugarcane, refined sugar, glucose, canned vegetables and fruit, frozen vegetables and fruit, tea, tobacco, alcohol, liquor, soup powder, confections, canned milk, shrimp fritters, instant noodles, nutritional powder, glass, veterinary medicines, and printed matter.

Nineteen production units surpassed the plan norms regarding value of output. The highest were cane sugar enterprises I and II, the Vietnam Tea Enterprise Federation, the MSG-Instant Noodle Enterprise, and Grain Equipment Manufacturing Factory I.

Of 17 key export goods, nine attained and surpassed the 1989-1988 levels: coffee, processed shelled peanuts, coconut oil, frozen vegetables and fruit, candy, duck feathers, peanut oil, and pepper.

Hanoi Unemployment Steadily Rising
42090261b Hanoi HANOI MOI in Vietnamese 10 Apr 89 p 3

[Article by Nguyen Quang Hoa: "Worker and Civil Servant Living Conditions: A Burning Issue!; Many Workers Lack Jobs; Some Locations Must Sell Machinery and Equipment to Pay Salaries"]

[Text] Accurate figures on the number of unemployed workers in Hanoi are still not available but through the reports of a number of facilities, they have risen to the tens of thousands.

In Hoan Kiem Ward, the Ngo Gia Tu Vehicle Spare Part Production Plant has 350 people out of work, the Tourist Service Corporation 600, and the Hanoi Candy Enterprise 200. Within the area of Dong Da Ward, thousands of people are off work such as the Movie Enterprise (256 people), Quang Trung Machine (200), glass (120), musical instruments (300), etc. In the construction sector, many units have hundreds of employees and more who are unemployed, such as the Giap Bat Carpentry Enterprise, Civilian Construction Corporation and Housing Institute.

One of the most serious locations is the Thong Nhat Match Enterprise which on 20 March had 1,300 workers off work until the end of April. At the Cau Duong Lumber Mill as of 1 April, the director had to temporarily release 500 workers for a month, will watch the production distribution and if no sales are made, will continue the release.

Like the Lumber Enterprise, due to inability to distribute products and a lack of production capital in a number of other units, workers have had to stop work, such as the Sundry Goods Enterprise with a backlog of 1.4 million meters of elastic worth 60 million dong. The Thuong Dinh Tennis Shoe Enterprise has 320,000 pairs stockpiled, the Lock Enterprise has a backlog of 30,000 locks, and the Luong Yen Machine Enterprise has 100 grinding machines.

The major cause leading to the situation above is that renovation of the economic management mechanism has revealed weaknesses in infrastructure economic management. A number of facilities have not yet signed production distribution contracts because of high production costs and market rejection. Along with the subjectively caused difficulties created by a lack of dynamism and autonomy and reliance on upper echelons, there are the objective causes of untimely material supplies and raw material supply and excessively high material supply costs, causing high productions costs and customer rejection.

The difficulties above have led to the slow payment of worker and civil servant salaries. Many enterprises have almost no way out. Many worker families do not have enough money for rice.

The industrial sector is presently short 800 million dong in first quarter wages, including 450 million in cash which the banks do not have. Six enterprises must pay 1 to 3 months in worker salaries such as: the Lock, Luong Yen Machine, Metals, Sewing Machine and Paint enterprises, and the Technical Equipment Corporation. The construction corporation has units that have not paid salaries since December 1988, or facilities where personal monthly incomes are only 2,000 to 3,000 dong. Banks investing in capital construction owed the sector up to 896 million dong in February 1989, including debts to the Civilian Construction Corporation of 253 million; Foundation Grading Corporation, 120 million;

Housing, 193 million; Corporation 2, more than 200 million; Corporation 3, an even 100 million; and the Construction and Transportation Corporation, 6 million.

In Hai Ba Trung Ward, according to reports, 10 units have only paid worker salaries through January or advanced the January wage period to February 1989 such as: the Tran Hung Dao Machine Plant which still owes 121 million in salaries; Thang Long Sewing Plant, 100 million; Water Drainage Plant, 72 million; Export Canned Goods Plant, 65 million, etc. Tu Liem District still has 11 facilities that have not received their January and February salaries. Cash owed by the banks for payment of February salaries has now reached 381 million dong, not counting March.

Why aren't there any salaries? The banks reply that there is no money! However, why isn't there any money? Would the banks answer that question!

Worthy of noting here is that due to the lack of wages, workers and civil servants are unenthusiastic in their work, adversely affecting not only production but also many other aspects of society.

Many trade union cadres have the view that: the banks are not being honest with the workers: they owe the salaries but are not paying them. Regulations are needed preventing banks from delaying worker and civil servant salaries, especially in the enterprises that have completed their economic contracts and whose sale of products produces a surplus at the bank. For enterprises truly suffering losses or slipshod in organization primarily due to the low level of leadership management, prompt methods are necessary to strengthen organization for effective production.

SOCIAL

Family Planning Should Cease To Be an Imposed Movement

42090234 Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 13 Apr 89 p 2

[Article by Pham Khac Tri, Nha Be District Health Care Center: "Family Planning—The Movement Remains Mainly an Imposed One"]

[Text] The movement to carry out "birth control" (family planning) in our country was launched by the government back in 1963, but the results obtained so far have not yet satisfied the need for reducing the annual population increase rate. Although in the early 1980's, the 5th Party Congress set in its resolution the population increase goal for 1986 at 1.7 percent, the 6th Party Congress still kept the same goal for the period lasting until 1990. In reality, the rate of population increase in 1987 for the country as a whole was still high—2.07 percent (i.e., the country's population tended to increase each year by from 1.2 to 1.3 million people).

Old concepts, customs, and habits are one of the great obstacles for the movement. Such concepts as "God creates elephants, God also creates grass," "A family that has many children is a happy one," and "If we have a child, we'll feed him, all right" still are popular among the people. To try to have a son "to carry on the lineage" is a rather common idea among the people and even among cadres at all levels, workers, civil servants, as well as troops. To change these concepts is the work of all sectors and echelons in society as a whole and particularly depends on continuously raising the people's cultural background, understanding, and living conditions. Other countries' experience has shown that when the people's material and cultural life is improved, their accepting family planning will probably be more favorable.

In the past years, the family planning movement in our country was mainly imposed on the people, with many localities trying to score achievements by forcing women to take contraceptive measures, which led to cases of deliberate removal of intrauterine devices (loops) by the "secretive" channel (not in hospitals or public health installations), hence disastrous happenings, with some women having even two loops in their uteri. That was the reason why the movement did not last long and if there were no efforts to remind people of it or to push it, it would easily decline.

Another weakness in the movement was the fact that we failed to use propaganda enough and to provide full instructions about the contraceptive measures, nor to create the necessary conditions for all couples to voluntarily choose the right measure to apply. The press has been mentioning the many contraceptive measures, but in practice, for women in rural areas the only measure available is to have contraceptive loops inserted in their uteri, and in cities and organs, small quantities of condoms are available for men. To require new mothers to accept insertion of intrauterine loops before becoming eligible for the World Food Program (PAM) nutritional assistance also is something unreasonable. In fact, if people fully understand all contraceptive measures, they can easily apply the one they like. We think that the goal of the family planning movement is not the number of women having contraceptive loops inserted in their uteri (some localities have actually tried to achieve 5, 6, or 10 percent of their woman population wearing intrauterine loops) but rather the number of children (one or two) that a couple should have and the interval (4-5 years) between the two births, with this couple, in the case of the latter goal, being able to choose the method considered more suitable for them.

So far among our cadres and people, including the leadership echelons, not everybody has clearly seen the importance of the population and family planning task.

In the public health sector, there still existed in the past years many shortcomings in its providing guidelines for fulfillment of this task; the supplying of contraceptive devices was far from regular and timely.

In addition, the fact that there were not enough public health cadres to serve the population, the majority of working cadres did not have a high degree of specialized knowledge, and difficulties abounded in terms of living conditions, shortage of means of work, and careless work behavior did cause a number of disastrous accidents leading to adverse consequences for the movement in different localities and a decline of confidence.

We have to remind ourselves here that we have wasted many years because we underestimated the effects of propaganda. We should have used education and propaganda from the very beginning, even before we launched the movement, to make people fully understand the work. In recent years, although the work was carried out at a much faster pace, it was not profound enough and failed to reach every family and every citizen; more particularly, men have not yet been subjected to proper education and persuasion. We must attach greater concern to education, propaganda, and mobilization; invest and spend more; and consider the above-mentioned means the most vital measure aimed at making people voluntarily carry them out.

Speak Frankly, Speak the Truth on Social Ills
42090255a Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 19 Apr 89 p 1

[Article by Tran Thi Minh Ngoc, Binh Chanh District, in the column "Forum": "Speak Frankly, Speak the Truth in the Struggle To Rid Life and Society of Authoritarianism"]

[Text] As we know, alongside the incorrupt, upright, impartial cadres who respect the people, there are not so few who rely on position and authority, cause trouble, and bully the people into committing many wrongs. In the trend of change presently, authoritarianism must be found and eliminated from life and society wherever it is.

There are many types of authoritarianism. I know the family of Mrs. H. has lived for many years without a household registration. Recently I saw she had one and learned upon inquiring that she got it only after asking an acquaintance with authority for help and also having to spend "a bit"! If Mrs. H.'s situation is okay to get household registration, then why did she have to spend "a bit"? And if it was not okay, then what? Who will be the one to respond most correctly if not the person who made out this household registration. If exactly in order, why cause trouble for people?

Mrs. T. has four grown sons but inexplicably none has gone to perform his military obligation. Instead they are given priority for work abroad and to join agency staffs.

The treasurer went to a bank to withdraw the payroll for the workers. A female employee responded simply, "Leave the paperwork for this afternoon!" But the person knew her or "tactfully" treated her to get the matter

handled immediately. I also saw first-hand the settlement of a dispute at a district court and did not understand why the deputy presiding judge was always taking the side of Mr. D. (the person who filed the complaint and wealthy and famous in the area). Conversely, the other party was from the longtime working and very poor family of Mrs. B. Each time she wanted to present her family's situation, the deputy presiding judge would immediately pound the table and shout, "This is a court of the state. You cannot talk on endlessly. If you say anymore you will be expelled."

At the T.C. intersection, a gang of hoodlums was beating someone nearly to death. Someone reported it to the subward public security, suggesting they go to the site to settle it, but was told "We're busy!". But in truth one was at home, one had gone to a festival, and the one at the installation could not leave! The beating was considered "a draw."

The disease of authoritarianism usually goes along with the attitude of living irresponsibly, only knowing oneself, and being indifferent to the pain and poverty of the people. Authoritarianism has caused a crisis in confidence, law is not strict, fairness in society is overturned, and right and wrong are unclear. The main reason for this is the lack of democracy and openness. In the trend of change presently, we must eradicate authoritarianism at its root in order to bring back confidence to the people and strengthen administration.

Psychiatric Patients Receive Improper Care
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[Unattributed article: "Ministry of Labor, War Invalids and Social Welfare and Nghe Tinh Labor, War Invalids and Social Welfare Service Reply on Situation of Tan Ky Psychiatric Treatment Area"]

[Text] Since July 1988, mass information agencies have publicized many negative things about the Tan Ky Psychiatric Treatment Area (in Nghe Tinh Province), and the Ministry of Labor, War Invalids and Social Welfare has joined the Nghe Tinh Labor, War Invalids and Social Welfare Service to conduct many inspections. On 12 April 1989, the editors of QUAN DOI NHAN DAN received official letters from the Ministry of Labor, War Invalids and Social Welfare and the Nghe Tinh Labor, War Invalids and Social Welfare Service informing us of these inspections and the conclusions reached by these two agencies.

One letter, signed by Vice Minister of Labor, War Invalids and Social Welfare Tran Hieu, stated:

The Nghe Tinh psychiatric treatment area, located in Ky Tan Village of Tan Ky District, is a facility directly subordinate to Nghe Tinh Province, under the direct management of the Nghe Tinh Labor, War Invalids and Social Welfare Service, and guided in party matters by

the Tan Ky District Party Committee. Because this facility was established from an area for the treatment of wounded soldiers during the resistance war period, it is located in a remote forested and mountainous region and many shortages in equipment and means exist. During the years from 1982 to 1985, the facility made many efforts to overcome difficulties in caring for and treating special subjects, the chronically ill psychiatric patients of the province. During the years of 1986 and 1987, many aspects of the facility declined and became deficient, including serious shortcomings and weaknesses. The ministry and provinces conducted inspections but the correction and disposition of faults and weaknesses were extremely slow, leading to the negative incidents publicized by the newspapers and radio. After the media reflected this situation, our ministry and Nghe Tinh Province seriously accepted several accurate and constructive critical opinions. The ministry and province have directly inspected, examined and specifically handled the situation. The cadres, workers, and civil servants working here have themselves made many efforts to overcome the difficulties and correct the faults and weaknesses. Improvement and consolidation of this treatment area is presently continuing.

The letter from the Nghe Tinh Labor, War Invalids and Social Welfare Service, signed by Service Director Tran Dang Chau, after specifically explaining the situation and special characteristics of the Tan Ky psychiatric treatment area, touched upon the following issues of public concern:

Since 1986, many shortcomings and deficiencies have been revealed at the Tan Ky psychiatric treatment area. Thirty kinds of reflective opinions, complaints, and accusations on the deficiencies of the unit have been received. Inspections have indicated that although many are inaccurate, general, and lacking a basis for conclusion, most of these views were true and contained constructive concepts.

The treatment area's weaknesses have objective causes: the location, the subjects of treatment are psychiatric patients, and the socioeconomic environment of the country has many difficulties causing not a few obstacles for the unit's operations. However, the direct and basic reason is that administrative, party, and mass organization activities are in the substandard category, expressing a serious and protracted loss of internal solidarity, and lax management in the state aspect.

1. Major, Basic Shortcomings of Treatment Area:

a) *Serious and protracted loss of internal solidarity that cannot be overcome.*

Most clearly expressed is position jealousy, differences in work viewpoints and methods, unfairness in using, evaluating and implementing cadre policies, lack of reason in subjectiveness, etc., leading to a situation within the party chapter and among the cadres, workers,

civil servants and patients of division into two primary opposing factions and even creating great obstacles for the service and district inspections groups.

b) Lax management in the state aspect:

Specifically expressed by the following:

Labor management and discipline are loose and lacking in effectiveness. Many personnel are assigned jobs inconsistent with their trade. Many lack responsibility and commit labor time violations. Upper and lower levels lack mutual respect, lower levels fail to execute the requests of upper levels or not in a serious manner, there is mutual blame, and the unit may be said to be operating with a lack of discipline.

c) Many weaknesses exist in the management of patient treatment:

Subsistence: Although the system of grain and living expenses is precisely implemented and firmly controlled, weaknesses allow a number of personnel to alter scales and steal material (one apprehension involved material worth 2 taels of gold, and 40 apprehensions involved repayment), there is little rice, and the quality of meals is at times substandard. The patients are entitled to 18 kilograms of rice but because there is occasionally no morning meal and no separate kitchen for the patients according to the grain system, the division of rice is occasionally inaccurate. Drinking water is only boiled after the two main meals so patients lack water to drink throughout the day, drinking water containers, tea sets, water bowls, and dishes and bowls for food. Although fully equipped at first, the patients were allowed to smash their dishes and chopsticks and now have a shortage.

Supply: The patients are allowed to become chilled during the winter. Actually, the unit has issued trousers to all patients and a number of mosquito nets in excess of the state stipulated system but the supply of warm clothing for patients is lacking and untimely in some types.

The patients lie on cement or lattice and brick benches, the equipment of all 13 psychiatric treatment areas throughout the country. During the winter, patients are chilled by the cold wind and lack clothing and blankets or only have ragged ones. The weakness of the unit is in its lack of sensitivity, in failing to submit proposals to upper echelons for a study of the system, and in not creatively seeking every method to resist patient chilling.

Patient restraint: When patients suffer violent fits, restraint is necessary. However, a weakness is that personnel at times fail to use the proper restraint, place many people in a common room, and in a number of instances, have confined women and men together with adverse consequences. However, the unit has corrected this shortcoming.

Patient beatings: The truth is that two personnel beat and injured patients: Cu Thi Lan who beat patient Phu; and Nguyen Viet Dinh who beat patient Vinh. Both of these personnel received education from the unit and a warning from the service; Lan was allowed to retire on a disability. Besides these two cases, another case occurred in which patient Thuyet was beaten but the perpetrator has not been found so no disposition has been made.

d) Allowing many patients to escape the treatment area:

Use of patient labor: In reality, the unit does not advocate the use of patient labor for production. Only once were they organized to collect firewood to sell, partially to pay for the subsistence of patients while collecting firewood, and the remainder to sell at a price cheaper than the collective price to assist in improving the diet of the patients. The unit was remiss in allowing personnel to take advantage of patient labor due to mutual acquaintance to obtain firewood, harvest subsidiary food crops, acquire bananas for hogs, build houses, etc., without educating or disciplining personnel for their mistakes. Naturally, the patients received full subsistence while engaged in this work.

e) Lack of cemetery maintenance, care, and repair:

f) No serious shortcomings in economic management but weaknesses exist:

One of the personnel was allowed to misappropriate 20 cubic meters of stone, and to steal miscellaneous items from the dining hall as noted above.

The period for constructing a close confinement building was allowed to drag on, wasting material such as permitting 6 tons of cement to decrease from the quality necessary for brick laying. The unit accepted 20,000 poor quality bricks, began construction, and then had to tear them down and return them to the brick plant.

A number of times, warehouse receipts and deliveries and material loans were not precisely in keeping with principle. Some personnel misappropriated vehicles to transport material to individuals, such as Kha who hauled 3,000 bricks and tiles to build a house; and vehicles were also used for pleasure trips home or to haul housing construction materials.

On two occasions, personnel who improperly used patient gifts had to return them and admit their shortcoming.

Because the management work expresses bureaucratism, complacency, and excessive confidence in lower levels, there is a lack of control, resulting in mistakes that are not promptly handled, excessive centralization, a lack of democracy, etc.

Briefly: The faults above of the treatment area have adversely affected the thoughts, feelings, and health of the patients. In confronting the party chapter collective and all the unit's cadres, workers, and civil servants no one will confirm that any patient has died due to hunger, thirst, or cold nor state that, "The primary cause of death is poor subsistence and a shortage of clothing, blankets, and mats." Actually, the 39 patients who have died have had clear case reports and treatment prescriptions and records with the conclusion that death was due to sickness, without one case of death due to hunger, cold, or beating.

2. Prosecution, Disciplining of Individuals With Shortcomings.

Most responsible for the shortcomings above is the Nghe Tinh psychiatric treatment area. Therefore, the Labor, War Invalids and Social Welfare Service assigned Director Tran Van Vy to conduct a review and educate those personnel with shortcomings and if necessary, to discipline them and report to the service for disposition. Cadres from office deputy chiefs and up were reviewed in front of the entire unit, and suggestions were made on various forms of discipline. The Labor, War Invalids and Social Welfare Service examined them and made the following decisions:

a) Tran Van Kha, acting unit director, was dismissed as deputy director.

Kha, war invalid 214, once made outstanding achievements but had the following shortcomings: a lack of responsibility in unit management, allowing a serious loss of internal solidarity to drag on without correction; bureaucratic, complacent, and lacking democracy with cases of unfairness, prejudice, and conservatism; and diffused and slow implementation of the system and correction of shortcomings after service and ministry inspections.

b) Hoang Van Tai, acting medical office chief, was admonished for the following shortcomings: a lack of responsibility in managing patients and the medical office; allowing 18 patients to escape; and occasionally expressing a lack of prudence with some cases of unfair treatment, adversely affecting the overall solidarity of the unit.

c) Nguyen Huu Can, administrative office chief, was reprimanded for the following shortcomings: failing to

thoroughly understand the office's work and making many mistakes, especially in sustaining, equipping, and using cadres; conducting weak efforts with occasional prejudice, unfairness, and lack of internal solidarity.

The Labor, War Invalids and Social Welfare Service directly managing the treatment area has also been bureaucratic with a lack of urgent timeliness in conclusions and handling.

3. Partial Acceptance of Correction

With a viewpoint of looking directly at the truth, admitting the shortcomings and determined to make corrections, we wish to accept and praise the correct and constructive critical opinions. The inaccurate and not entirely correct viewpoints will also be used for self-advisement. In recent practice, simultaneous inspection and correction of shortcomings and weaknesses have been conducted. We wish to report the following corrections:

Seriously agitated patients have been given private beds and rooms. Resolution of the previous individual supply that existed from 1985 to 1987 for a number of patients has not yet been fully completed. The allocation system for a number of war invalids has been fully completed by the unit. The cemetery has been repaired. A separate kitchen has been organized for the patients following three systems: 18 kilograms, 13 kilograms and 10 kilograms. Warehouses have been rationally rearranged. A number of cadres have been redeployed consistent with their trade. Haircuts have been given and photographs placed on resident files. A production detachment has been organized to improve the lives of the patients, cadres, workers, and civil servants; 13 cattle, 1 buffalo, and 30 goats have been purchased; and a contract entered for production of beams for a sugar refinery. Suggestions have been made to and approval received from the standing committee of the provincial people's committee for the following grain allowances: 18 kilograms of rice monthly for the patients and kilograms of rice monthly for other recipients. Cadres, workers, and civil servants have been forbidden to use patient labor or to beat the patients. Violators are reviewed and appropriately disciplined. Water containers, glasses, cups and dishes have been fully supplemented for use by the patients. There is general sanitation in the agency and treatment areas. Organizational reformation, staff simplification and rational cadre deployment will be conducted to ensure higher efficiency in unit operations.

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